

# The NATIONAL UNDERWRITER

A man we know \* \* \* \* \*  
started to work \* \* \* \* \*  
on a Group Insurance prospect \* \*  
last year. \* \* \* \* \*  
He \* \* \* \* \*  
finally made the sale, \* \* \* \* \*  
his biggest for 1941. \* \* \* \* \*  
It was \* \* \* \* \*  
a lot of GROUP LIFE, \* \* \* \* \*  
ACCIDENT and SICKNESS, \* \* \*  
HOSPITAL and SURGICAL. \* \* \*  
He doesn't think \* \* \* \* \*  
he would have made it \* \* \* \* \*  
if he hadn't stopped \* \* \* \* \*  
in the prospect's waiting room \* \* \*  
recently, \* \* \* \* \*  
and copied down something \* \* \* \*  
from a framed card \* \* \* \* \*  
on the wall, \* \* \* \* \*  
and then \* \* \* \* \*  
gone back to his office \* \* \* \* \*  
and thought about it. \* \* \* \* \*

The card \* \* \* \* \*  
was there last year \* \* \* \* \*  
but he hadn't noticed it \* \* \* \* \*  
before. \* \* \* \* \*

He says "I'm glad \* \* \* \* \*  
I read it in time." \* \* \* \* \*

Here's what he copied: \* \* \* \* \*

IF YOU WISH TO  
sell me something be sure  
to create for me a plan  
thru which I can harness  
that which you wish to  
sell me • so it will help  
pull my load and I will  
be more eager to buy •  
than you are to sell . .

Every Employer \* \* \* \* \*  
can pull a bigger load \* \* \* \* \*  
if his employees \* \* \* \* \*  
are cheerful and happy. \* \* \* \* \*  
Contented workers \* \* \* \* \*  
are more efficient producers \* \* \*  
and cut labor turnover. \* \* \* \* \*

Travelers \* \* \* \* \*  
Group Service \* \* \* \* \*  
begins with assistance \* \* \* \* \*  
to the agent, \* \* \* \* \*  
to the broker. \* \* \* \* \*

*We have a very attractive booklet which tells the story. Ask for it.*

THE TRAVELERS INSURANCE COMPANY  
HARTFORD, CONNECTICUT

I have a Group prospect. Please send me booklet.

Name \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_

THURSDAY, AUGUST 21, 1941



## NOT SO DUMB!

Save your clients money  
by selling them 3 year  
policies at 2½ times  
the annual premium.

Offer them the savings  
provided in 5 year policies.

### *America Fore Insurance*

THE CONTINENTAL INSURANCE COMPANY  
FIDELITY-PHENIX FIRE INSURANCE COMPANY  
AMERICAN EAGLE FIRE INSURANCE COMPANY  
FIRST AMERICAN FIRE INSURANCE COMPANY

*Eighty Maiden Lane,*



### *and Indemnity Group*

NIAGARA FIRE INSURANCE COMPANY  
MARYLAND INSURANCE COMPANY OF DELAWARE  
THE FIDELITY AND CASUALTY COMPANY

BERNARD M. CULVER, President  
FRANK A. CHRISTENSEN, Vice-President

*New York, N.Y.*

CHICAGO

SAN FRANCISCO

NEW YORK

ATLANTA

MONTREAL

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# The NATIONAL UNDERWRITER

Forty-fifth Year—No. 34

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, AUGUST 21, 1941

\$4.00 Year, 20 Cents a Copy

## Hollister Takes Helm at Oregon Agents' Gathering

**National Defense Stressed  
—Lloyds, Auto Finance  
Situations Reviewed**

PORTLAND, ORE.—Harry H. Hollister, Jewett, Barton, Leavy & Kern, Portland, was elected president of the Oregon Association of Insurance Agents at its two day convention here. The attendance was about 350, which was an increase of about 25 per cent over last year. W. H. Coble, Bend, Ore., past president and past national councillor, was named chairman of the executive committee and Mark Goldy, Medford, retiring president, was named national councillor.



H. H. Hollister

A resolution was adopted pledging the association's aid in the national defense program in the reduction of fire waste and accident prevention. Another resolution deplored discrimination in the method of taxing capital stock companies as compared with non-stock insurance companies. Corrective legislation to provide for equal taxation was urged.

### Reviews Legislative Work

In his annual report President Goldy reviewed legislative work, particularly the proposed amendments to the compensation and financial responsibility acts, the latter having been defeated at the last minute in the senate. A thorough investigation of the Lloyds of London situation was conducted. Mr. Goldy suggested that in placing surplus line business the local agent who originates the business be the one who files the required affidavit instead of some agent in Portland. If the affidavit is in violation of the state law there should be penalty attached to it, he said. Lloyds has a decided place in the business but not at the expense of admitted companies, Mr. Goldy declared.

Local board activity during the past year was marked by the formation of a board at Astoria.

The defense program has stimulated business particularly in Portland, Pendleton and the Hermiston areas. A definite ruling by the insurance commissioner and the rating bureau was secured to the effect that established rates would be applicable to the entire state except where the title to the ground was in the name of the United States government. As a consequence all business has been written at published rates. Mr. Goldy commended Commissioner Thompson for his cooperation.

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## Settle Tacoma Bridge Loss

**Companies' Final Offer  
of \$4,000,000 Accepted  
by Washington**

OLYMPIA, WASH.—The Tacoma Narrows Bridge loss has been settled for \$4,000,000 by the 23 companies on the line. Under terms of the settlement, the state receives, in addition to the \$4,000,000 cash, all salvage and remaining property. The piers and anchorages are valued in excess of \$3,000,000 for reconstruction purposes, while salvage is estimated to be worth \$250,000. Altogether there was \$5,200,000 insurance on the bridge. The bridge loss was to have gone to the courts Sept. 8.

The span, erected at an original cost of \$6,500,000, collapsed in a high wind Nov. 7, 1940, and subsequently the insurance companies invoked the arbitration clause in the contract. They had offered to settle for \$1,800,000, their estimate of the "actual loss." In the meantime, a \$240,000 U. & O. loss was paid in full by Home of New York \$100,000 and Northwestern F. & M. \$140,000.

### Faced Jury Trial

The companies appointed an appraiser in accordance with the terms of the contract, but the state contended that the bridge was a constructive total loss and refused to enter into arbitration. Preliminary to entering into litigation, the companies were successful in removing the case to federal court, but subsequently the toll bridge authority was able again to return the case to Pierce county superior court. The state won another point when it was successful in securing a jury trial, the trial date having been set for Sept. 8.

Last week's compromise settlement was reached after the companies had made their final offer. Governor Langlie announced the state's acceptance of the final offer after consulting with Insurance Commissioner Sullivan, Attorney-general Troy, Charles E. Andrews, consulting engineer for the state, and the state's board of bridge experts. The board recommended acceptance of the offer "as an advantageous settlement to the state at this time." The state board, shortly after the loss occurred had estimated replacement of the old bridge at \$4,300,000. The companies' offer was accepted by a unanimous vote of the toll bridge authority of which Governor Langlie is chairman.

Piers of the old bridge, Governor Langlie said, were tested by the state board and were found to be in "good condition, having suffered no damage as a result of the crash of the superstructure." The piers and anchorages were estimated to have a value in reconstruction in excess of \$3,000,000, he pointed out.

### Two Companies Disagree

One point which delayed settlement of the loss was a dispute between Millers National and Fidelity & Guaranty Fire over a liability on a \$50,000 policy. Millers National had a \$100,000 line on the bridge and prior to its collapse

## Announce Program for Ad Conference

**Meeting at Hershey,  
Pa., Sept. 8-9 Will  
Stress Cooperation**

"Sales and advertising cooperation" will be the theme of the annual meeting of the Insurance Advertising Conference at Hotel Hershey, Hershey, Pa., Sept. 8-9. David C. Gibson, vice-president and advertising manager of Maryland Casualty, is president of the conference.

H. K. Dugdale, vice-president of Van Sant, Dugdale & Co., advertising agency, Baltimore, will give the keynote talk at the opening session Monday morning. He is widely known in the advertising and merchandising field.

Other speakers will discuss specific features of sales and advertising cooperation, including George W. Scott, educational director of the National Association of Insurance Agents, and George Malcolm-Smith, member of Travelers' publicity department, and author of the novel, "Slightly Perfect."

### Agents Will Participate

Both agents and company field men will participate in the panel discussion Monday. Among those taking part are Guy Warfield, Jr., Baltimore, president of the Maryland Association of Insurance Agents; Leonard Dakin, Rochester, N. Y., agent, and Allyn Crooker, Fidelity & Deposit, Philadelphia, who will present the field man's viewpoint.

Tuesday morning actual examples of sales and advertising cooperation will be presented and discussed by members. Company advertising managers and trade paper editors will take part, and successful company campaigns of recent years will be outlined.

The annual business meeting and election will be held Tuesday morning.

The president's dinner will be held Monday night. A special feature will be a talk by Maurice Fitzgerald, war correspondent and humorist. Entertainment on Sunday night will be provided by Jacques Romano, student of Far Eastern lore. Adjournment will follow the Tuesday luncheon.

### Commissioners Confer in N. H.

MANCHESTER, N. H.—Insurance commissioners from New England and Canada and other insurance executives held a joint semi-annual session here for discussion of current problems of the business, with Commissioner Rouillard of New Hampshire as host. Among the others present were Georges LaFrance, Quebec; C. F. J. Harrington, Massachusetts, accompanied by Actuary Arthur Cleary; Deputy Commissioner A. D. Pingree, Vermont; Deputy Commissioner H. N. Morin, Rhode Island; Vice-president Scott Harris and Actuary Earl Nicholson of Joseph Froggat & Co., New York.

sought to cancel \$50,000 coverage. In the process of replacing the \$50,000 policy, the broker issued a cover note in F. & G. Fire the day before the bridge

(CONTINUED ON LAST PAGE)

## Civilian Defense Office Is Making Fire Fighting Probe

**Seeks to Ascertain Condi-  
tions in the Chief Cities  
of the Country**

Percy Bugbee, general manager National Fire Protection Association, states that the U. S. Office of Civilian Defense is taking an inventory of existing fire apparatus in the principal communities as a basis for future planning of facilities in which this commission is interested. A joint sub-committee has been established between the Office of Civilian Defense and the Defense Communications Board. It will study the emergency use of police radio systems and fire department alarm systems.

In Kansas, for example, a technical advisory committee on fire defense has been appointed by the governor to serve in cooperation with the Kansas Defense Committee. About 30 Kansas fire chiefs are members of the committee. State Fire Marshal Latchem is executive secretary. A fire apparatus tabulation for the state is being made and the committee is preparing an outline on the training of auxiliary firemen in the larger cities.

### Texas and New York Busy

In Texas a division of defense fire control has been established as a part of the national defense with Marvin Hall as director. He is the fire insurance commissioner of the state and also state fire marshal. In New York the state fire defense committee has stimulated the bureau of public service training of the state education department to arrange an emergency program whereby the state's 200,000 volunteer firemen in the rural areas could receive systematic instruction.

A number of individual cities are making a special study of industrial fire defense. At Cambridge, Mass., the fire department in cooperation with a committee on industrial fire defense of the chamber of commerce has made fire surveys of 138 important industrial concerns in the city. The fire department is undertaking special classes for the training of auxiliary firemen both for industrial fire brigades and civilian defense.

### Reports from Key Cities

In St. Louis, the fire department has surveyed industrial properties engaged in defense work and is requiring chief fire department officers and company officers to inspect these plants regularly.

At Dallas, the effectiveness of fire prevention educational work has been greatly increased by the organization

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## Par Policy Need Suggested by Agent

### May Solve Situation in Washington, Says Retiring President

Hope for future relief for the competitive situation in Washington through some form of dividend paying policy was expressed by James M. Blair, president of the Washington Association of Insurance Agents, at the annual convention in Tacoma.

Dramatic reduction of the rates of board companies was suggested as early as 1939 to relieve the situation, Mr. Blair said, but there was considerable opposition by agents. The Washington Advisory Committee declined even to discuss dividend policies when first suggested in 1940, but later there was considerable discussion of some form of participating policy in the state. The advisory committee did nothing about a downward rate revision.

### Under Counter Selling

Mr. Blair feels that the discussions accomplished practically nothing, and the position of board companies was somewhat weakened since agents in many communities "are taking the matter into their own hands and making deals with dividend paying companies. I understand and am fully convinced that in other localities a situation has been created by agents and companies in which they are writing business under the counter at off-rates in order to meet the dividend paying competition.

"This is certainly a serious danger to the insurance business and is creating a condition that is going to be increasingly so. We cannot expect an agent to sit idly by and see his business gradually dwindling in favor of participating companies," Mr. Blair strongly recommended that the association's contact committee, which has been handling this problem, be continued.

### Other Activities

Mr. Blair touched on several other problems in his president's report. He explained that through the association's bank contact committee agents of the state have been saved a large volume of automobile premiums which otherwise would have been lost to national finance companies. Automobile loans directed through banks by agents are increasing sharply over previous years, he said. The association has had a good legislative year, not experiencing any bad legislation and getting through a system for handling surplus lines similar to that in California. A new plan of education was worked out and 16 educational meetings were held with a total attendance of 330 agents, almost double that of any previous year. Showing of the Underwriters Laboratories' moving picture stimulated requests from various service clubs and civic bodies for use of the film.

The association was able, by conferring with state officials, to answer satisfactorily a suggestion that the agents be eliminated in the purchase of insurance by the state. Mr. Blair found successful the appointment as chairman of state fire prevention week activities of a man from a county where an outstanding prevention week job was done.

### Moreton Reports

Most of the troubles of the National Association of Insurance Agents are in the casualty and surety field, Fred A. Moreton, executive committeeman of Salt Lake City, told Washington agents. This is because casualty business is growing, fire business is not. The latter is more stabilized as to rates, commissions and underwriting.

Due to increased activities in connection with defense, the automobile loss ratio is bound to increase, Mr. Moreton believes. However, he said that a reduction in the compensation loss ratio can be expected due to the increase in

## New Word 'Andor' Offered by George Oppenheimer

The coining of a new word "andor" which will mean either or both is suggested by George Oppenheimer, Oppenheimer Brothers, Kansas City, Mo., in answer to recent comments on the use of and/or. "Notwithstanding the criticism leveled recently by one of our courts, I still think the words have meaning and place not properly filled by anything short of a complete phrase. There is no reason why the insurance fraternity cannot coin a word as well as any other group of people," he said.

employment and particularly to the high wages in vogue and one-half and double time for overtime with no allowance in the rate.

Suretywise it is not the proper time to meddle with rates, Mr. Moreton said. Both bureau and non-bureau companies are busy handling capacity lines. Both classes are getting nearly all the business they can absorb at existing rates. The only reductions that have taken place are due to pressure by government on specific classes. After the emergency is over, Mr. Moreton said he would not be surprised to see a general revision of surety rates, and possibly a new method of arriving at them.

H. H. Kirschner, vice-president Kirschner & Co., presented several case histories illustrating effectiveness of local agency advertising. In them he stressed vigor, personalization, use of radio, etc. He pointed out that a large budget is not needed if the agent makes his advertising unusual and striking.

Speaking on the National Board, particularly in connection with defense, Jay W. Stevens, San Francisco, chief of the fire prevention bureau of the National Board, pointed out that the present war in Europe is one of fire and of wholesale attacks on cities and civilians. All National Board engineers plus many of the engineers of the various board bureaus are devoting their entire time to government service, with salary and expenses other than traveling paid by stock fire insurance companies. Yet not a cent of fire insurance is carried on any of the properties being serviced such as cantonments, navy yards, arsenals, air stations and fleet operating bases. The gesture is one of patriotism.

The background and details of functioning of the Surplus Line Association of Washington were explained by R. E. Voigt, Swett & Crawford, Seattle, chairman of the association. The new method of handling surplus business in the state has worked out very satisfactorily for both agents and companies, and Mr. Voigt particularly commended London Lloyds for its cooperation in making it a success.

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Fire losses for the first seven months were less than the similar period last year. **Page 4**

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## Idaho Agents Hold Annual Convention

### Oscar Nelson Elected President at Successful Rally

IDAHO FALLS, IDA.—Oscar Nelson, secretary-treasurer of the Idaho Association of Insurance Agents, was elected president of the association at its annual convention here. He is a member of the Gridley Investment Company at Coeur D'Alene.

A. V. Larter, Idaho Falls, was named vice-president of southeastern district; L. E. Huff, Moscow, vice-president northern district, and Ed McMonigle, Boise, vice-president south central district. James Gridley, Coeur D'Alene, was elected secretary-treasurer, and Homer Lipps, Lewiston, national councillor. The new member of the executive committee in addition to officers is Mrs. Paul Bistline, Pocatello.

One hundred ten registered for the annual rally, making it one of the most successful in history.

### Loss Trend Down

The trend of fire insurance rating was discussed by R. C. Stevenson, manager Idaho Surveying & Rating Bureau. In 1925 fire risks written in Idaho totalled \$164,500,000 for which a premium of \$2,500,000 was paid at an average rate of 1.52. Losses were \$997,000 and the loss ratio was 39.6. In 1940 fire risks written were an estimated \$176,500,000, premiums \$1,832,000, and the average rate 1.037. Losses were \$604,000 and loss ratio was 33. This is the statistical trend. Accumulative loss experience over the 15 year period shows a much higher figure, more nearly the usually accepted figure of 50 percent for loss cost.

The trend of loss cost, however, is slightly downward, and the rate level has kept reasonably close to experience, Mr. Stevenson said.

Mr. Stevenson urged agents, as men of influence in their communities, to do their part in seeing that protective facilities in various communities are provided where needed, since there is much work to do in this respect in Idaho.

### Public Education Important

Public education by companies and agents working together through national organization has played an important part in the downward trend of the average rate, Mr. Stevenson believes.

Compensation paid the agents for business has an important bearing on the cost of insurance, Mr. Stevenson said. There has been an increasing tendency on the part of the agents to

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## National Defense Is Parley Theme of Michigan Agents

LANSING, MICH.—The timely theme of "National Defense Through Insurance Preparedness" will be stressed at the annual convention of the Michigan Association of Insurance Agents in Grand Rapids Sept. 11-12. Waldo O. Hildebrand, secretary-manager, has announced preliminary plans. An attendance of over 300 is anticipated. Headquarters will be at the Hotel Pantlind. A. B. Millard, president Grand Rapids association, is general chairman.

Dr. C. C. Smith, of the National Association of Manufacturers, New York City, will speak on "Industry and National Defense;" J. S. Bugas, chief Detroit office of the F.B.I., will talk on "Subversive Activities," and E. B. Moran, Chicago, manager central division National Association of Credit Men, will develop the text, "Business Needs Insurance."

### Forshay Represents National

R. W. Forshay, Anita, Ia., vice-president National association, will represent that organization. Other speakers are: Seth R. Burwell, head of the life division Michigan insurance department, "Automobile Finance Business and the Insurance Agent;" C. H. Dickinson, Detroit manager Stock Company Association, "The Purposes and Procedure of the S.C.A.," and Edward M. Allen, New York, executive vice-president National Surety, "Fidelity Bonds."

Certificates of award will be presented to all persons successfully completing the correspondence course prepared by the association and conducted through facilities of the extension division of the University of Michigan. Awards will be presented by Dr. C. A. Fisher and H. Thompson Stock of the university's extension staff. Mr. Stock is also an agent and an association member. Carl F. Trager, Lansing, chairman of the association's education committee, and L. Irving McKay, Detroit, general chairman development and educational committee of the Michigan Fire Underwriters Association, will direct this part of the program.

### Present Brown Trophy

Another convention innovation will be the presentation by President David A. Forbes of a special trophy to the local board credited with "the most outstanding job" during the year. Members of the executive committee will be the judges. The award is designated as the "George Brown trophy" in commemoration of the late state secretary.

The insurance department's order outlawing the so-called "50-50" or retention form of collision coverage, will be discussed by Alfred I. Dreifus, Detroit, chairman automobile insurance study committee.

President Forbes will make a general report of his year's administration, including reports of the most active committees and several proposed amendments to the association's constitution will be presented. George W. Carter, Detroit Insurance Agency, will make his annual national councillor's report, and Walter B. Carey, Detroit, chairman of the speakers' bureau will talk.

Past presidents will be honored at the annual get-together dinner Sept. 11. Speakers will be Governor Van Wagener and Commissioner Berry.

Mr. Stock and Mr. Trager will conduct a breakfast conference on education Friday morning.

Friday afternoon will be devoted to golf at the Cascade Mills Country club. Dinner and entertainment will follow.

The Hollis Mutual Fire, Hollis, N. H., incorporated 95 years ago, has voted to suspend business and dissolve. It was writing only about \$1,000 of premiums annually in recent years.

## THIS WEEK IN INSURANCE

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**Idaho agents** hold their annual convention at Idaho Falls. **Page 2**

**Maryland Casualty's** debenture corporations retire \$7,454,624 in bonds. **Page 14**

**S. S. "Pannco" loss** is total but high salvage value anticipated. **Page 9**

Program is announced for the annual convention of the **International Claim Association**. **Page 13**

**Realistic view of casualty business** taken at Continental Casualty's annual claim convention. **Page 13**

**Policy fee** for weekly automobile premiums considered in New York. **Page 13**

New York financial responsibility law may be amended to make standard auto policy satisfy insurance requirements of the measure. **Page 13**

**James Mather** has been made United States marine manager and marine manager for Canada and Cuba for Phoenix Assurance and Norwich Union group. **Page 27**

**Frank A. Ungles** appointed vice-president of Commercial Indemnity of Indianapolis. **Page 15**



## Big Hail Season in Both Losses and Premiums

**Profit Will Be Small;  
May Ask Higher Rates  
in Some Sections**

With the major portion of their liability now expired, the large hail writing companies estimate that they will end the season with a premium increase of from 30 to 100 percent. For all of the companies it will be one of their best seasons with respect to income, and for a few it will be the largest. However, losses have been widespread and severe, so much so that in certain territories it is possible that an increase in rates will be sought.

Some territories have produced good results for the underwriters, however, and unless the small amount of exposure to which they will be subjected for another 30 days develops unusual liability, companies on the whole should show a slight profit for the season. While the American companies are writing only about  $\frac{2}{3}$  as much business in Canada as they did a year ago, the loss experience on the wheat in that area, much of which is yet to be harvested, may be the determining factor between profit and loss for those companies that write Canadian business.

### "Chicago States" Profitable

The "Chicago states" will again show a profit with the possible exception of Iowa where there is considerable corn and soy bean liability. Underwriters can still be hurt on corn which is still in a stage where hail could do it considerable damage. One underwriter recalls that in 1937 his corn losses ran his loss ratio up 30 points after a profitable small grain business was well out of the way. The Chicago states are those which report direct to Chicago, and include Iowa, Missouri, Wisconsin, Illinois, Indiana, Ohio, Michigan, Kentucky, and Tennessee. These states almost always are profitable. While they produce only a small portion of the wheat, they develop a fairly good premium volume on tobacco, fruit, corn, and small grains other than wheat. They also have a certain amount of miscellaneous business. Hemp in Wisconsin, for example, is a new coverage this year, the demand being created by the navy which bought all the crop on futures for the production of cordage.

Several of the wheat growing states are definitely in the losing column for hail companies. These include North Dakota, Texas, Minnesota, South Dakota, Colorado and Arizona. While the volume done by most of the underwriters in two or three of these states, notably Colorado and Arizona, is not big, the experience was severe. Oklahoma, Kansas, Nebraska, Montana, and possibly Iowa, are in the profit column so far. Some liability still exists in Montana on spring wheat and on flax in Montana and the northwest.

### Cotton, Fruit and Tobacco

The government's loan price on cotton was announced so late in the season that a decrease in hail writings on this crop resulted. Loss of the foreign market hurt hail writings on tobacco, and most companies report these premiums down somewhat. One company reports a slight increase, but its liability was not extensive. Coverage on fruit, chiefly apples, was off somewhat due to the drought along the At-

## MODERNIZE LOBBY OF INSURANCE EXCHANGE



Herewith is presented an artist's sketch of the "Lobby of Tomorrow" which is being installed in the north building of the Insurance Exchange at Chicago. The opening will be about Oct. 1. Meanwhile the lobby is a forest of steel scaffolding surmounted by a floor of planks above which the work is being carried on.

The familiar skylight is to be removed and in its place there will be a lovely garden effect, with quarry tile, boxwood hedges and a fountain. This extensive modernization program will involve extension of the second floor space to the limits of the elevated central section of the ceiling shown in the drawing. This will provide much additional space for National of Hartford which now occupies the second floor.

The lobby walls, now of white terra cotta, are to be faced with moretti hurrah marble, a domestic stone, to a height of 17 feet, above which will be plastered decorations of simple, modern design. The terra cotta columns also will be faced with the marble.

### New Indirect Lighting System

A completely new indirect lighting system of ingenious design is to be installed. This will be contained in the elevated central section, and will consist of batteries of lights in large circular areas.

The lobby shops are having the woodwork refinished to harmonize with the new color scheme and will display uniform signs in a magic type of modern lettering.

Not long ago new elevator doors and facings were installed in the north section of the exchange, a great new bronze mailbox and a modernistic building index, so that with completion of the project now under way the building will present a most modern appearance.

### Use 60 Tons of Steel

The work is being carried out under the direction of Manager R. C. Swanson. The architects are Shaw, Naess & Murphy and the main contractor is Gerhardt F. Meyne Company. Some 60 tons of steel were used as the framework for the new ceiling, including two huge girders, each weighing about 15 tons and being 75 feet long and four feet high, for the main support, with smaller beams extending from the east and west walls.

lantic seaboard. The drought also affected tobacco writings.

The entire season was a weather breeder, starting early and continuing with numerous and frequent storms. Particularly in the great grain growing states there were several very hot spells. Whenever these broke, hail fell from Canada to the Gulf.

### Numerous Storms

One of the worst storms on any single date for the season was that of Aug. 3 in North Dakota. It struck just in the heart of the harvest season. Had it not been for the fact that 50 percent of the wheat had already been harvested, the loss would have been a great deal larger. One company's loss in that storm is estimated at \$60,000. The experience of this company also was particularly bad in Texas and Colorado, as well as in Minnesota. Oklahoma and Kansas were good. The company's premiums are about double what they were last year, largest in its history. There is still some liability outstanding in Montana and Canada on wheat, and of course, the corn crop is still exposed.

### Loss Ratios Higher

Another large company had an increase in premiums of 52 percent, with the loss ratio currently running around 60. The latter figure compares with 31 percent last year, but includes allowance for expenses. Another insurer has a 30 percent increase in premiums, with losses running close to the dividing line between profit and loss. One company reports a 48 percent gain in premiums with losses on wheat and small grain under 50 percent, but considerable corn exposure along with tomatoes, soy beans and tobacco.

All hail liability is expected to be run off by Sept. 20. By that time exposure will have pretty generally ceased, and the carriers can wind up officially the season.

## New Illinois Law Affects Many Agencies and Assured

A good many insurance agencies and quite a number of smaller business firms are affected by an Illinois law passed by the last legislature. The law provides that no one shall carry on a business in Illinois under an assumed name or any designation other than the original name of the individual conducting such business, unless the person files a certificate with the county clerk. The certificate must give the name under which the business is being conducted and the true name of the person owning or conducting the business.

The law is already effective. However, because of the shortness of time some county clerks are not invoking the penalty, \$25 to \$100 fine and 30 days imprisonment for the time being.

Some agents had copies of the law printed up and mailed to assured, calling attention to the new requirement. E. R. Hurd, general manager Home of New York, sent out a number of reproductions of the bill to agencies in Cook county, a reminder that was widely commented on.

## Kolob General Agency Adds Company and Field Man

SALT LAKE CITY—Kolob Corporation, which is general agent for a number of fire and casualty companies in Utah and Montana, has increased its facilities by becoming general agent of Seaboard Surety for Utah. Frank Salisbury is secretary and general manager of the general agency. The office in the Judge building here was recently enlarged.

The general agency has also expanded its field facilities, appointing F. R. Miller special agent with headquarters at Great Falls, Mont. Mr. Miller was formerly in the claim department of the Kolob main office.

## No New German Restrictions on American Businesses

NEW YORK—Contrary to the general impression, Germany applies fewer hampering restrictions to American businesses operating within its borders than does any other Axis or Axis controlled country, according to Harry Austin, general manager of the American Foreign Insurance Association, which has been represented at Berlin and other leading centers in both Europe and Asia for more than 20 years. While the association is unable to get any money out of Germany, this is also true of Italy and Japan, which retaliated for the action of the U. S. in freezing the funds of their nationals.

Germany, said Mr. Austin, has imposed no new measures as to the business activities of the A.F.I.A., and cables, even in code, pass freely to and from representatives there and the head office in New York without censorship or delay of any kind.

The volume of business done by the A.F.I.A. in European and Asiatic centers has fallen off materially since the outbreak of the war.

### Sharpe Made Chairman

H. D. Sharpe, president of the Brown & Sharpe Manufacturing Company, Providence, R. I., has been made chairman of the sponsors committee for field engineering service of the National Fire Protection Association. Newcomb Carlton, former chairman, will continue on the committee.

### Hartford Fire Meeting

HARTFORD—The Hartford Fire directors were supposed to have met this week to talk over the successor to the late President R. M. Bissell. There was no meeting held. The regular directors' meeting will be held next month and at that time it is expected the line of succession will be decided.

## COMPANIES

### Aetna Fire Group Gains 15%

A 15 percent gain in premium volume during the first half of this year as compared with the parallel period of last year was recorded by the Aetna Fire group. The total was \$21,178,544. The premiums of the parent company were \$14,105,592 as against \$12,237,379, an increase of 15.2 percent. If Aetna Fire premiums increase at the same rate during the rest of the year, its premiums for 1941 will be about \$28,000,000, which would be an all-time high.

Premiums of World Fire & Marine were \$1,109,345, an increase of 18 percent; Piedmont Fire, \$952,058, increase 38 percent, and Century Indemnity, \$5,011,548, up 10.8 percent.

Assets of the parent company amounted to \$58,400,216 at the mid-year, a gain of \$1,526,193 since Dec. 31. Century Indemnity had a gain in assets of \$610,147; World Fire & Marine, \$382,523 and Piedmont Fire \$318,809.

Total income of the group was \$22,626,473, exceeding disbursements by \$2,930,544. Net surplus of Aetna Fire is \$19,107,446; premium reserve \$21,650,845; premium reserve of Century Indemnity is \$4,095,751, net surplus \$3,391,625.

### Executive Vice-president for Glens Falls, Commerce

GLENS FALLS, N. Y.—G. P. Crawford, who has been vice-president of the Glens Falls and Commerce for 12 years, and with the organization since 1906, has been appointed executive vice-president of the two companies. He entered the employ of the Glens Falls on graduation from school 35 years ago. After a period of training at the head office he was appointed a special agent. He was named assistant secretary in 1924, secretary two years later and advanced to vice-president in 1929.

### Automobile and Standard Figures

Automobile of Hartford as of June 30 shows total admitted assets \$29,976,352 compared with \$27,222,810 a year ago. Surplus is \$9,900,029, as compared with \$9,195,586. Total income for the first six months was \$9,144,294, exceeding disbursements by \$1,386,880.

The Standard Fire of Hartford assets were \$6,203,662 increasing from \$5,830,767 a year ago. The surplus is \$2,363,573, compared with \$2,234,463.

### Examining St. Paul F. & M.

A convention examination of the St. Paul Fire & Marine group is now in progress. Participating are Rhode Island, Delaware, Louisiana, North Dakota, Colorado, Arizona and Minnesota.

## NEW YORK

### RETIRE A FAITHFUL SERVANT

After 20 years service as messenger of the National Automobile Underwriters Association, James Duff has been retired with suitable provision for his future. The staff of the organization presented him a number of gifts. Before joining the automobile association, he was a messenger for North British & Mercantile.

### SEVEN MONTHS LOSSES

As tabulated by the National Board, insured losses on an incurred basis, plus an allowance for unreported and insured losses, amounted to \$23,698,000 last month. This is 5 percent less than

for June, but greater by 17 percent than the record for July, 1940.

With the addition of the July figures, the losses for the first seven months of 1941 aggregate \$187,651,000, as against \$190,392,280 for the like period of last year. Figures for the last three years are:

	1939	1940	1941
Jan.	\$ 27,615,316	\$ 36,260,650	\$ 26,470,000
Feb.	29,302,520	34,410,250	26,102,000
Mar.	30,682,168	29,788,800	31,471,000
Apr.	27,061,522	26,657,190	29,330,000
May	27,031,700	23,446,590	25,637,000
June	24,190,700	19,506,000	24,943,000
July	22,468,304	20,322,800	23,698,000

Tot. 7 mos. \$188,353,230 \$190,392,280 \$187,651,000

### SOME OF THE LARGER LOSSES

The New York "Journal of Commerce" in reporting July fires found that there were 234 fires in the United States and Canada which caused a damage of \$10,000 or more, the aggregate being \$997,200. The west led with \$355,800, followed by the Pacific Coast with \$230,700. The chief losses were as follows:

Frederick, Md., Hartman Store, A. & P. Store, etc., \$175,000; macaroni factory, Philadelphia, \$275,000; Natick, R. I., cotton mill, dwellings, etc., \$90,000; Marked Tree, Ark., lumber yard, \$175,000; Alexandria, La., drug store, \$80,000; Richmond, Va., tool handle factory, \$90,000; Arcola, Ill., school, \$225,000; Chicago

grain elevator, \$275,000; Shelbyville, Ill., lumber yard, \$125,000; Pontiac, Mich., furniture warehouse and two factories, \$90,000; Mankato, Minn., school, \$175,000; Seminole, Okla., oil refinery, \$700,000; Saratoga, Calif., winery, \$180,000; Kalispell, Mont., oil refinery, \$400,000; Marcola, Ore., lumber yard buildings and post office, \$190,000; South Bend, Ore., lumber and ship mill, \$90,000; Knappton, Wash., saw mill, \$100,000; Mount Vernon, Wash., iron works, \$90,000; Hamilton, Ont., Canadian color type, Hamilton Plumbing & Heating Supply, \$90,000; Pembroke, Ont., water and paper plant, \$300,000.

### UNDERWRITING U. & O. RISKS

Probably more time is being given these days to underwriting use and occupancy offerings than any other class. Already companies have had experiences in that direction that show them which way the wind is blowing. The conservative companies are underwriting each risk on a total loss basis. That is, such a company is taking for granted that very likely it may have a total loss in spite of cautious underwriting. The other day there was a loss in a factory where it was impossible to get a special band for over a month. The U. & O. loss was 15 times as great as the property loss. Companies do not want to load up on U. & O.

where the outlook for getting material, machinery or parts is very dubious.

### RULES ON SHORT RATE ISSUE

The arbitration committee of the New York Fire Insurance Exchange has ruled that any form of agreement between an insurer and a finance company whereunder the short rate cancellation rule is modified is prohibited. The committee recites a typical form of agreement that is outlawed:

"In consideration of your financing the premium on the above captioned policy, we agree, in the event of a default in the terms of your contract with the assured, to cancel the policy accordingly and pay you a sum sufficient to liquidate the balance due you thereon at the time of such cancellation, provided we are notified by you of such default within 10 days therefrom."

### Duffus New Hampshire Speaker

MANCHESTER, N. H.—At the annual meeting of the New Hampshire Association of Insurance Agents here Oct. 31, Roy A. Duffus, well known Rochester, N. Y., agent, will be the principal speaker. The annual meeting of the New Hampshire Insurance Women's League will be held the same date at the same place.



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**M**AN produced the modern automobile, sleek, streamlined and powerful. Controlled it contributes comfort, pleasure, profit and speed to modern living. Escaped from its driver's control it becomes a ravening monster with gleaming eyes and slavered jaws, prowling the nation's highways, maiming, torturing and destroying.

Laws and traffic regulations, aimed to protect our people from the cars they drive, have been passed and faithfully enforced. Safer cars equipped with every known safety device have been produced. But the slaughter continues.

At last all are agreed that the responsibility for safe driving must be pinned on the driver and not on the vehicle. As the first step in recognition of that responsibility, **LOYALTY GROUP** agents are equipped to help automobile owners and drivers provide intelligent insurance programs.

Insurance cannot prevent accidents, restore life, or replace severed limbs. But it can pay for material damages and assume the burden of medical and hospital expenses, loss of earning power, legal fees and damage suits.

**LOYALTY GROUP**, with its nation-wide facilities, stands ready to help you provide adequate insurance programs for your clients.

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Foreign Department  
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Canadian Departments  
461 Bay St., Toronto, Ontario  
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The Girard Fire & Marine Insurance Company  
National-Ben Franklin Fire Insurance Company  
Pittsburgh Underwriters • Keystone Underwriters  
Milwaukee Mechanics' Insurance Company  
The Concordia Fire Insurance Co. of Milwaukee  
Royal Plate Glass & General Ins. Co. of Canada  
The Metropolitan Casualty Ins. Co. of N. Y.  
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FIRE-MARINE-CASUALTY-SURETY

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INSURANCE

## Suit Being Brought Against Directors of Defunct Mutual

**Commissioner Berry of  
Michigan Makes Serious  
Charges in Lapeer Case**

LANSING, MICH.—Disclosure was made that suit is being filed in Lapeer county circuit court by Commissioner Berry, as receiver for Lapeer Farmers Mutual Fire, against directors of that defunct organization in an effort to force an accounting and gain recovery of such sums as the court may determine constitute proper liability to compensate for alleged gross mismanagement of its affairs.

The action is believed the first of its kind ever filed in Michigan. It climaxes several years of litigation involving Lapeer Farmers, many of whose members have stubbornly resisted assessments and some of whom carried their resistance into the supreme court. The initial receivership, when W. G. Simpson was the active receiver representing former insurance commissioners, was credited with certain errors which eventually resulted in invalidating an assessment ordered at that time and new suits are now being pressed against members to collect an assessment amounting to almost \$200,000.

### Defendant Directors

Defendant directors named in the suit are: Edward Murphy, William Pickelman, Claude Sleeman, Frank Whetstone, Robert Mitchell, William J. Clark, Frank E. Sinclair, Efner K. Parmelee, and Cora B. Ivory, administratrix of the estate of William E. Ivory, former secretary-treasurer of the mutual. It is stated in the bill of complaint that Parmelee, also, is believed to have died but identity of his estate's proper representative has not been learned. Other directors are all Lapeer county residents.

### Complaint Is Made

It is noted that special assessments ordered for 1931 and 1932 in the amounts, respectively, of \$55,105 and \$42,479, were never spread by the former secretary, Ivory, although the order was issued in August, 1934, and Ivory remained in office until May 28, 1935. It was further noted that standard, uniform policies were not issued after Jan. 1, 1935, as required by a new act. Assessments for eight years, from 1927 to 1934, inclusive, it was noted, were insufficient to cover liabilities and no advance or special assessments were levied. The directors also carried forward a deficit, in complete disregard of the insurance statutes, it is charged, the amount of the deficit at the end of 1934 amounting to \$82,375. Advice of auditors and of insurance department examiners which, if followed, would have remedied conditions and placed the mutual again on a sound footing, was persistently ignored, the complaint states. In one instance, it was cited, examiners called attention to the fact that the directors, on Nov. 18, 1930, canceled all unpaid assessments previously levied, including notes. Such action was declared to be patently illegal.

### Further Charges Made

The board also failed to require the secretary to furnish a bond, it was declared, and climaxed its record of misconduct by permitting the filing in 1933 and 1934 of false reports to the depart-

(CONTINUED ON PAGE 11)

## New England Silk Product Mills Little Hurt

BOSTON—Silk products mills in New England, while disturbed and quite uncertain as what the immediate future may bring about, have been little if any affected up to the present time by the silk embargo. The foresight and business acumen of the New England manufacturers in diversifying their manufactures and constantly turning more and more to the use of rayon and nylon in connection with their use of thrown silk is probably largely responsible for the present comfortable if uncertain situation.

Whatever the ultimate result may be, at the present time not a single silk mill in New England has been closed, so far as can be learned, and all factories are working at normal capacities.

In many cases the mills have secured government orders and are using their supplies of silk, rayon and nylon in filling such orders, approximating perhaps 50 percent of the total output of the New England mills.

A considerable number of mills in New England are engaged solely in the process of converting raw silk into thrown silk, in which form it is used for the manufacture of all silk products. This is largely a commission business and as all silk must be so processed there is no expectation that mills so engaged will be affected now or at any time. In fact, except for these mills, few if any factories in New England now produce all-silk products.

Manufacturers are looking to a silk yarn as a substitute and are much interested in talk of a mercerized lisle as a possible solution to the shortage of silk due to the embargo and priorities orders and as a permanent and satisfactory substitute for present raw materials.

Some 96 of the mills handling silk products in New England are protected through Boston Manufacturers Mutual and all of these are operating with usual forces. As there have been no shutdowns, use and occupancy coverage, which covers a period equivalent to the time taken to use up the normal supply of raw materials on hand, usually one or two months at the most, has not been drawn upon.

Probably due largely to publicity as to the embargo and possible shutdowns, a delegation of alleged silk workers, who declared they represented 3,000 silk mill workers thrown out of work, appeared at the governor's office and demanded the protection of the unemployment compensation law. Investigation up to the present time seems unable to disclose what if any mill or mills had discharged the workers, leaving the inference that the demonstration was staged by a group of unemployed seeking to profit by the reported acute situation.

## Continue 1940 Valuation Schedule in Canada

TORONTO—At the annual conference of the Association of Superintendents of Insurance of Canada here Sept. 15-18, Superintendent Lafrance of Quebec, chairman standing committee on the valuation of securities, will recommend that there be no changes made in 1941 in the valuation of securities for use by insurers in completing the annual statements as of Dec. 31, 1941.

Mr. Lafrance states that the committee has given further consideration to the basis of valuation used by insurers for real estate and mortgages but it is not at this time prepared to submit any definite recommendations. He asks the committee be authorized to continue its investigation.

## California Agency Committees

H. J. Thielen has been named general chairman for the annual convention of the California Association of Insurance Agents at Sacramento Nov. 10-12, and

## Will Entertain



COL. J. H. JOHNSON

Col. J. H. Johnson of J. H. Johnson & Co., Clarksdale, Miss., extended an invitation to the Yazoo Delta Local Agents Association and the insurance friends of the Mississippi association to attend a special barbecue at his Hernando place, the Cedars, Sept. 17. The barbecue is an annual affair staged by a large cotton mill in which Colonel Johnson is interested. The Delta association will hold its business meeting at the same time. The special agents were also invited by Colonel Johnson.

## Neb. Tries New Procedure on Financed Auto Cover

LINCOLN, NEB.—The Nebraska department is trying out a new idea in connection with its regulations as to financed automobile insurance.

On automobile coverage written under a master policy for a dealer or a loan broker, according to John S. Logan, department attorney, the certificate which is being issued at the present time is a duplicate of the master policy, both as to coverage and as to policy provisions which are essential to determine the contract.

Under circumstances where the return of the certificate given assured is essential in case of cancellation, the department has consented to try the issuance of the certificate in the form as at present except for the signatures of the proper officials of the insuring company.

### Used as a Trial

This is made not as a ruling or order but as a matter of trial, Mr. Logan said.

Insurer can in this way, however, readily cancel. With assured holding a contract carrying signatures of insurer's officials and therefore valid, the insuring company frequently runs into difficulty in locating assured when a car has been repossessed, or of getting the policy if there is a dispute or "feeling" between assured and dealer or finance company. In such cases the insurer has to go through the rather complicated "lost policy" routine.

Since many states have required that assured receive a certificate that is in effect a valid policy contract which must be picked up in case of cancellation, Nebraska's trial with the new idea will be watched with interest.

M. T. Morrissey vice-chairman. Other chairmen are: J. L. Kingsbury, entertainment; E. R. Pickett, reception; C. E. Miller, registration; A. C. Ryan, finance; Mr. Morrissey, transportation; C. A. Mott, publicity; Mes. H. H. Hendren, Ryan and Kingsbury, ladies committee.

## Farm Association Wheat Loss Basis Barred in Kansas

**Companies Can't Use Pen-  
alty Grain Adjustment  
Plan, Hobbs Rules**

TOPEKA, KAN.—Fire companies writing farm business in Kansas will not be permitted, in settling wheat losses, to use the six-point adjustment formula, recently announced by the Farm Underwriters Association. Commissioner Hobbs sent the companies a notice that they must pay the market price for wheat lost by fire in this state, without regard as to whether or not some or all of the wheat is produced in excess of the AAA quotas.

Two farmers appeared at the office of Mr. Hobbs this week and advised him that the companies with which they had taken out wheat insurance had attempted to make adjustments by deducting the 49-cent penalty from the price which the adjusters offered to pay. It happened that both policies were written after the 49-cent penalty had been announced and there was no penalty provision in the policies. It is the contention of Mr. Hobbs that the question of the penalty is entirely a matter between the farmer and the government and not to be considered by the insurance companies in adjusting fire losses.

### Affects Adjustments Made

It was pointed out by members of the staff of the commissioner that the farmers would have to pay this 49 cents a bushel to the government unless they made some arrangement to reduce the acreage next year and obtained a white card. They would thus be in the position of collecting insurance on wheat on the basis of the excess price and then be compelled to pay out all or most of whatever insurance was collected to the government under the penalty.

The order of the commissioner not only directed the companies to adjust wheat losses without regard to the penalty but further required them to make payment of the full amount on all losses already adjusted.

The order of the commissioner said: "It has come to the attention of the department that in the adjustment of fire losses on wheat, the companies make a deduction from the amount of the loss of 49 cents per bushel, the penalty levied by the government for producing excess wheat.

"There is nothing in the insurance policy, nor do we know of any authority given by the government to the insurance companies, that would authorize this reduction. It is the opinion of this department that the companies shall pay to the insured the total amount of the loss, and should the wheat producer be subject to a penalty, it is a matter between the farmer and the government.

"The insurance press recently stated that they had adopted six points of procedure to follow in case of loss involving penalty grain. I do not believe the companies are justified in the use of these six points.

"Therefore, in the case of loss on grain, whether cut or uncut, in shocks, stacks, bins, granaries or in storage, companies must pay the market value of the loss in accordance with the policy provisions, without the reduction of any penalty that may be imposed by

(CONTINUED ON PAGE 11)



## Am. Druggists Settlement Reached

Settlement has been effected of the litigation against the directors of American Druggists Fire of Cincinnati that was brought by Harold C. Knecht, a stockholder.

One of Knecht's allegations was that American Druggists had constructed a garage, had turned the building over to a garage company with an interlocking directorate for \$180,000 with the right to repurchase and had guaranteed the garage company 8 percent annually on its \$200,000 capital stock. Under the judgment entry in the court of Common Pleas Judge Woeste of Cincinnati, the insurance company agreed to take over the garage for \$150,000 and an additional \$15,000 to satisfy its claims against American Druggists Fire. Judge Woeste held that the contract in connection with the garage was valid and binding and that the payments on the garage stock did not violate the law. Hence, there could be no recovery against the insurance company directors.

The judgment entry also states that the erection of the 15-story American building was not contrary to law and that causes of action claimed against directors of the insurance company are barred by the statute of limitation.

The court held that there was no evidence of fraud or fraudulent concealment nor any evidence that the directors were speculating with the company's funds. However, the entry found that \$4,050 was paid illegally to the American Druggists Security Company on its guarantee of 7 percent on preferred stock, but \$1,000 paid in 1930 is barred by the statute. There is a finding of \$1,500 against the directors.

American Druggists is ordered to pay the costs of the court proceedings with a reasonable fee to Knecht and his attorney, R. L. Struble.

This litigation will be of particular interest to those who have been looking into the idea of selling directors liability insurance to corporations. For the time being at least there seems to be no American market for such cover. The companies that had made an earnest study of the idea have decided against entering the field.

## Watch for Promotional Spirit in Reopened Plants

Companies find today that they are receiving a goodly number of submissions for coverage on factories throughout the country that have been in receivership and closed down, but are now being reopened under new auspices. These offerings are investigated rather closely. The companies inquire particularly as to the nature of the ownership. Sometimes they find that there is a strong promotional spirit involved. A group of small resources may get together and open up the factory with the idea apparently of getting some orders while business is easy and not giving any heed to what the future may hold. They may have no permanent intention and if the ownership is of this type, the companies are quite close in their underwriting, particularly if U. & O. is desired.

The situation is somewhat comparable to that which developed after repeal. Promoters jumped into the brewery and distilling business taking over old plants, thinking to make a quick killing. Gradually they passed from the scene.

## Western Mutual Seeks to Recover Embezzled Funds

DES MOINES—Two unusual suits have been filed here by the Western Mutual Fire of Des Moines in an effort to recover \$38,164.82 in company funds embezzled by its former president, David Milligan, who is now serving a five year sentence in the state prison on the embezzlement charge.

The suits were filed against the Des Moines Bank & Trust Co., for \$5,000 and the Lamson Brothers & Co., Chi-

cago, and 14 co-partners in that grain brokerage firm.

Milligan was alleged to have embezzled more than \$100,000 which he admitted spending on the grain market. The \$33,164 suit against the brokerage firm contended it had "gambling transactions" with Milligan which were unlawful and entered into a business "known and described as operating a bucket shop."

All of the grain transactions were alleged to have been on margin and in violation of the state code, the petition stated. It contended that the money

used by Milligan was held by him in trust for the company and "the trust relationship continued to apply to the money in the hands of Lamson Brothers."

## Work with Bankers on Auto Lines

MANCHESTER, N. H.—In view of the fact that many thousands of dollars of automobile fire, theft and collision premiums are written through finance companies without benefit to its members, the New Hampshire Association of Insurance Agents by cooperation with local banks has been able to divert a

considerable portion of the finance business to the banks. The banks themselves have become much interested and are now actively soliciting the business.

The immediate result has been the creation of a joint committee of bankers and agents which will work to extend the availability of local banks for the financing of premiums. The New Hampshire Bankers Association has named its committee. The agents association members of the joint committee are R. N. Davis, chairman, North Conway; H. J. Curtis, Derry; R. J. Morin, Laconia; C. L. Spalding, Nashua; N. O. Trask, Keene, and Stowe Wilder, Portsmouth.



Armstrong Roberts

## KEEPING STEP

Think back to your kid days. Remember three-legged races . . . how you could win when you had a good partner who kept step and really worked with you?

All through life teamwork is important—especially in the insurance business. We are dependent upon you in large measure. Your work is easier and more profitable when your companies give you full cooperation.

Since the beginning, we have tried to do business on that common understanding. That so many of our representatives call us "Friendly Folks" may be some indication of how we do our part.

The Agricultural and its partner the Empire State, are forthright supporters of the American Agency System. As agents' companies we know the value of your time and we try not to bother you with unnecessary correspondence. You'll find our fieldmen capable and willing . . . you'll find cooperation and understanding from the whole organization.

When you need another strong stock company, please think about us. So that you may know more about us now, we want to send one of our representatives to see you. When may he call?

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Every Type of Property Insurance for Industry and the Home.

## Greater Movement of Goods Provides Agent Opportunity

In the last six months movement of goods by truck, rail and express has accelerated considerably, and has been reflected to some extent in the premium volume of companies. As U. S. economy expands under the impetus of defense billions, this movement will increase.

Opportunity for the agent to increase his business on both cargo and transit insurance is a good one, and to some extent the situation contains possibilities for new as well as increased premiums.

Truckers all are operating more equipment than at any time in their history. Some of them that have been accustomed to depend entirely on their own equipment now are leasing all they can get their hands on. One large trucking line reports business 30 percent ahead for the year so far. At present, with defense still in its early stages, movement of goods is in many cases 25 percent ahead of last year.

### Some Shipping for First Time

In some cases, small firms, particularly in the tool and die field, are getting subcontracts from distant cities, which makes them shippers for the first time. This means they are new prospects for transit coverage because machinery and equipment of this sort runs to very high values, beyond the limits of cargo protection afforded by truckers.

While there is no insurance from railroads, except what shippers may buy, the fact railroads are using cars unused for years gives some idea of the rapidly developing transit picture. Crack passenger trains, even streamliners, are being sidetracked while defense goods move through, recalling the old days when silk trains from Vancouver, Seattle and San Francisco were given the right of way so they could make better time from the west to the east coast than passengers. Extra expense of such freight service was more than offset by savings in interest to the New York buyer on a value that sometimes ran \$800,000 per train.

### Cargo Good Sales Point

Truckers have to buy cargo coverage or put up a bond to meet ICC and state requirements. Insurance is cheaper than the bond, since insurance pays losses while under a bond the trucker pays the loss. The shipper's coverage, transit, is excess, and is purchased when the value is greater than protection limits furnished by trucker's cargo insurance. Truckers' requirements are nominal, \$1,000 to \$2,000, but actually most of them carry from \$5,000 to \$10,000, with \$7,500 as the currently popular limit. Occasionally the trucker carries \$12,500. These limits have gone up gradually as the result of competition; insurance carried is a selling point for the trucker seeking business. Higher limits, especially for valuable materials, may be a selling point for agents. During the abnormal period just ahead, values will exceed cargo limits of truckers more frequently than formerly.

Many shippers are constantly taking transit, or excess, coverage. The agent who sees a \$50,000 fire policy in a stock of goods might well go a step further and see in the same stock, if it turns over three or four times a year, a transit policy for three or four times \$50,000. The trucker can't give the shipper a reduced rate where the shipper furnishes his own insurance, because the ICC calls this rebatiing.

### Not Hard to Get

The agent who has or makes a good shipper contact should have little difficulty in securing the cargo insurance for the trucking firm that moves the shipper's goods. A suggestion from the shipper carries plenty of weight. On the other hand, entree to a trucking concern can lead to some good shipper

## Michigan Hearing Provokes Interest

LANSING, MICH.—Commissioner Berry's order for a hearing Sept. 15 on residential fire rates continued a leading topic of discussion in Michigan insurance circles the past week, although department officials said it was too early to discern company reaction to a request for filing of all available information on experience by classes and territories. There were said to be complaints in some company quarters to the effect that such data is not available as they do not break down their residential experience on a territorial basis.

The commissioner expressed the opinion that all companies should keep a classification experience tabulation by territories. He said he was certain that some do and that it will be possible to obtain much of the information sought before the date when the state rating commission, of which he is chairman, will conduct the hearing, first planned to include a review only of Detroit dwelling rates but extended to other protected cities by specific request of Governor Van Wagener. These cities are now being asked for expressions of attitude regarding their rates.

Commissioner Berry said he is particularly interested in obtaining data on acquisition costs, especially in the Detroit area. If excessive commissions are being paid, he indicated, some curb on this situation obviously would be necessary. Detroit city officials who have been zealous in seeking a dwelling rate cut claimed that a special investigating committee found that the companies had been showing a 30 percent profit in recent years on their residential business in the state's metropolis.

The commissioner hinted that he expected the companies' chief argument in favor of present rates in Detroit would be their contention that there is a serious conflagration hazard in many residential sections of the city and that rates must be loaded, on a long-range basis, to take care of possible heavy conflagration losses at some future time.

business. If the shipper has a factory, he is moving goods in and out.

This sort of business is pretty well spread among agents, and is likely to continue that way if the agent develops his local opportunities.

For the agent already well set up with shipper and trucker, defense spending will mean "growth" of premiums right along with their growth in volume. Most big truckers pay on a gross receipts basis so that as shipments go up, premiums rise with them.

Almost any business that has goods or materials coming in or going out, or both, is a prospect for transit. All truck lines are prospects for cargo.

Larger department stores, mail order houses, etc., besides providing a good market for transit policies, are prospects for parcel post coverage. There are some effective selling points for private insurance as compared with government parcel post insurance, which, in case of loss, involves considerable red tape. On both cost and service, private insurance is often the best for the assured. Quite a few local department stores which aren't good transit policy prospects do some mail order business and are therefore prospects for parcel post coverage.

Several companies now are writing PL & PD on trucks, and this is, of course, another line the agent can pick up.

### Agency Deal at Brushton, N. Y.

Sid G. Spear has purchased the Brady & Hughto agency, Brushton, N. Y., from Mary L. Brady. This agency will be continued under the name of Brady & Hughto, Sid G. Spear, owner. The Brady & Hughto agency was established in 1925 and will be run separately from the Sid G. Spear agency, Malone, N. Y.

## Here Is an Assured Who Gets A for Effort

M. S. Runyan, independent adjuster of Oklahoma City, sends the following report of a partial fire loss to an automobile. The agent took down assured's statement concerning the loss almost verbatim:

"First noticed a few miles from . . . Oklahoma, a fire in the back seat of his car. He stopped and spit on it and thought it was out. He went on into . . . and ate breakfast and when he went back to his car it was burning again. He took it to a filling station and they put gallons of water on it. It was still smoking but they thought it was out. He started for . . . and it caught fire again on the highway and he put some water out of the radiator on it. He couldn't locate where the fire came from. He finally got to . . . and drew up in front of another filling station and told them to watch it while he went to see if he had any fire insurance."

Mr. Runyan remarks:

"Evidently this assured figured that the only way to put this fire out after so many attempts was to get his insurance policy, if he had one, and wave it over the back seat of the car as a magic wand. In any event he probably felt that if the darned thing was simply determined to burn his next move was to locate and ascertain his coverage and let nature take its course."

## Second Fire Institute Is Expected to Draw 300

Enrollment in the second annual fire insurance institute of the American Mutual Alliance at Charlotte, N. C., Sept. 8-10, is being limited to 300, with students, buyers and representatives of all types of carriers eligible.

Lectures will cover the fire contract, fire rating, forms attached to the policy, provisional insurance and adjustment, use and occupancy, automobile liability, automobile property coverages, sales methods, and agency organization and management.

Each lecture will be followed by an open discussion session presided over by Ambrose B. Kelly of the American Mutual Alliance, with a three-man board of technical advisers available for questioning. The agent's point of view will be represented on the board by E. V. Thompson, St. Louis agent; company viewpoint by J. D. McNeese, Merimack Mutual Fire. The institute will close with a comprehensive written examination.

As a result of the wide demand for printed copies of last year's lectures, those this year will be made available generally in printed form by the Alliance.

### Two Join "Southwest Insurer"

Hugh Sawyer has become production manager of the "Southwest Insurer" of Dallas and will devote his entire time to contact work in the advertising and circulation departments. He has been director of public relations of Republic National Life of Dallas.

Manning Grinnan has been appointed editorial assistant. He was in Europe for five years immediately prior to the outbreak of hostilities and was a free lance newspaper correspondent attached to the German army when it moved into Prague.

### Will Expand Saco Mutual

The Central Manufacturers Mutual of Van Wert, O., which reinsured 50 percent of the outstanding premiums of the Mutual Fire of Saco, Me., will extend the facilities of the latter company and it will become more of a factor in the field. The directors of the Mutual Fire authorized a guaranty fund of \$50,000 and certificates of this amount were issued yielding an interest rate of 3 percent, all being purchased by the Central Manufacturers. The Mutual Fire sold

## Agent Sells Groceries for Benefit of His Clients

Many a man sells insurance to pay for groceries, but the Travelers has a casualty agent in Albany, N. Y., who sells groceries largely for the benefit of his insurance clients. Arthur Sherley, proprietor of one of the New York state capital's oldest grocery stores, sells very few cans of peas or slabs of cheese to those insurance clients. He continues to be in business at the old stand primarily because that's where he was when he first sold them insurance, years and years ago, and it's still the handiest place for them to come when it's time to pay premiums or renew policies.

Mr. Sherley, treasurer of the board of trustees of Calvary Methodist Church, is 70 years old, but he outstrips agents less than half his age in writing new business. He gets up at 6 o'clock every morning and often is still busy at 11 o'clock at night.

Sherley's, a regular old-fashioned grocery store was founded in 1867, only three years after the Travelers. Some 16 years ago its present owner decided he could not long survive the competition of chain stores, and turned to insurance as a more durable and dependable livelihood. But he was smart enough to realize that his old customers and their families would always associate him with the store at 461 South Pearl street, so, after he had sold insurance to most of them, he fitted up an office right in one of the display windows, where they could easily find him.

## Casualty-Surety Training Course Proves Popular

The Casualty & Surety Training Course, put out by THE NATIONAL UNDERWRITER, costing \$15, which can be paid in instalments, is attracting wide attention. THE NATIONAL UNDERWRITER employed Donald M. Wood, Jr. of Chicago, connected with the agency of Childs & Wood, to write the course and edit it. Mr. Wood is a Dartmouth College man. His insurance training has been received with Childs & Wood. He is a member of the Casualty Actuarial Society. Mr. Wood has had much to do with detail work and analysis involved in servicing large accounts which have country-wide operations. His daily work gives him the kind of service that a successful agency renders.

The course consists of 27 lessons. Following each lesson is a set of examination questions which the student answers and sends in for grading and comment by the instructor.

## CHICAGO

### STEPHENSON WITH WIESE & CO.

R. F. Stephenson, formerly staff adjuster Cook County Loss Adjustment Bureau, Chicago, now is associated with John D. Wiese & Co., well known Chicago independent adjusting office. Mr. Stephenson had been connected with the loss bureau since 1926.

### TWO NEW HOME SPECIAL AGENTS

John L. Puls, formerly with the L. H. Peterson & Co. agency in Evanston, Ill., has joined Home of New York as Cook county special agent for Carolina and Gibraltar. G. M. Robertson, formerly with the Hokanson-Jenks agency in Evanston, has been named Cook County special agent of National Liberty and Baltimore American.

half of its present office building for \$50,000. The company, which is one of the oldest mutuals in the country, has had an unprofitable experience in recent years. As of June 30, the assets were \$277,832, surplus including \$50,000 guaranty fund was \$114,550.



## NEWS OF FIELD MEN

### Plans Perfected for Blue Goose Rally

M. L. Fuller, Equitable F. & M., Minneapolis F. & M. and Atlantic, most loyal gander of the Carolina Blue Goose, has announced the committees to take care of the grand nest meeting to be held at the Vanderbilt Hotel, Asheville, N. C., Aug. 26-28. Ben S. McKeel, most loyal grand gander, who will preside, was formerly a Carolina field man and is now manager of the General Cover Department in New York City. J. W. Blakeney, North America, is chairman of the ritual committee; K. R. Smith, Great American, publicity; R. K. Scott, educational; W. C. Noell, Mechanics & Traders and Transcontinental, initiation; R. H. Lewis, National Union, for North Carolina, and John M. Baarcke, for South Carolina, membership; F. W. Hook, Virginia F. & M., Raleigh, John Kent, Charlotte, B. J. Smith, Aetna Fire, Charlotte, Owen Riley, Columbus, entertainment; W. W. Smith, W. H. N. Smith & Sons, Raleigh, visiting and fellowship, associated with Clark Little of Greensboro, L. J. Smith, Hartford Fire, Charlotte, and Hugh Bray, South Carolina. F. C. Newcomer heads the memorial committee.

#### Educator Principal Speaker

The principal speaker at the banquet will be Dr. D. W. Daniels of Clemson College, South Carolina. A meeting of the pond officers and committee chairmen was held at Asheville when R. L. Spaulding, American of Newark, as general convention chairman announced that all plans have been effected for the meeting.

### Abernethy Handles Agency Work; Dunne Special Agent

Harry M. Abernethy, special agent of the Glens Falls group in Chicago, operating in Cook County, Ill., has been made agency supervisor in the county for Glens Falls and Glens Falls Indemnity. He will continue to handle directly the western suburbs of Chicago and to be in charge of all field activities in the county as well.

Agents in the north and northwest portions of Chicago and Cook county will continue under direct contact of W. T. Bisbee, and agents in all south and southwest portions will be under jurisdiction of Edward J. Dunne. Mr. Dunne has been in charge of the automobile department but now becomes Cook county special agent. He will continue to supervise the automobile business as well as the loss department.

### Stick "Subbing" for Bailey

Ralph R. Stick, examiner in the western department of Crum & Forster, is traveling Kansas this month while State Agent Carl E. Bailey of Wichita is taking his vacation in the Colorado Rockies. Mr. Bailey has been handling the entire state since State Agent Carl E. Searle of Topeka was called to military service.

### Now Col. Julius V. Bowman

J. V. Bowman of Louisville, state agent for the Fire Association in Kentucky and prominent in field organizations, has been appointed an honorary colonel by Acting Governor Myers. He is a candidate for grand keeper of the goose egg of the Blue Goose at the grand nest meeting to be held in Asheville, N. C., next week.

### Confer on Fire Prevention

Several members of the Indiana Fire Prevention Association were guests of the Shelby County Insurance Agents Association at a dinner meeting at the

Blue River Country Club near Shelbyville, Ind. Regulations governing fire prevention were discussed. Among those present were H. E. McClain, Indianapolis, secretary Indiana Association of Insurance Agents; George R. Pritchett, American; Walter Polz, Sun; R. O. Richards; U. S. Fire; Don G. Kaga, Royal Exchange, and B. W. Pfeifer, National, all of Indianapolis.

### Push Public Relations Work

BOSTON—The Bay State Club, conducting a most active and effective public relations program last year, will renew activities in September. President Carl E. Hurst has appointed Kenneth H. Erskine, public relations chairman, with Homer W. Jones as vice-chairman.

### Sunflower Puddle Meets Sept. 15

Opening meeting of the Sunflower Blue Goose puddle at Wichita has been set for Sept. 15. DeVone Quinn of the Kansas Underwriters is "Big Toad." The Wichita puddle is giving a star dinner for Hugh Knisely, a charter member of the puddle and former Kan-

sas state agent of North British, recently transferred to Nebraska.

Members of the Wisconsin Blue Goose and their families enjoyed an outing on the "Milwaukee Clipper," taking the new luxury lake liner for a cruise from Milwaukee to Muskegon, Mich., and return. The arrangements were in charge of a committee headed by Walter Sukow, Travelers Fire.

Joseph Sorge, state agent of Virginia Fire & Marine in New Jersey, has moved his headquarters to the Woodman Hotel, Camden.

### Achilli with Weekly Underwriter

Earl R. Achilli has been appointed a vice-president of "Weekly Underwriter" to supervise its business activities in Ohio and Indiana.

Until recently, he has represented the Rough Notes Co. in the middle west handling its various services since 1925.

Mr. Achilli is a native of Indianapolis, and was educated at Shortridge high school, that city, and Indiana University. Before entering the insurance publishing business he was associated with the Goodyear Tire & Rubber Co. and the Chevrolet Motor Co.

Get Non-Resident Agency & Brokerage Laws. \$1. National Underwriter.

### 'Panuco' Loss Total But Expect High Salvage Recovery

NEW YORK—Burning of the New York and Cuba Mail Line's freighter "Panuco" at her pier in Brooklyn this week means a total loss under the ship's \$200,000 coverage, half of which is in the American market and the other half in London. Underwriters here, however, consider themselves fortunate that the loss was not much more severe as the ship could readily have been insured for more than \$400,000 if the coverage had been carried on the basis of today's values.

Because of these high values it is expected that the salvage value of the ship will amount to a considerable part of the loss payment, although it is too early for surveyors to tell how badly the ship has been damaged.

It will be some days before an accurate estimate can be made of the insured loss on the cargo. Some of the cargo, including zinc and other metals being imported by the United States government as part of the defense program, would not have been insured if

(CONTINUED ON PAGE 10)



## THE AGENT SERVES HIS COUNTRY

THE American agency system is built on service. Every agent knows that a system of "protection without service" means no agent. The agent performs a daily service of office routine. More important, he studies the needs of his neighbors and trains himself to meet those needs—he helps people to help themselves with insurance. When you save your neighbor from loss you save your country from loss.

\* \* In time of peace and in time of danger, the American agent serves his country.



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*C. D. McVay*  
PRESIDENT

**OHIO FARMERS INSURANCE COMPANY**

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## EDITORIAL COMMENT

### Making Annual Statements Speak

LIFE insurance companies have accomplished much in modernizing annual financial statements so that the wayfarer can understand what they mean. The mere employment of trade terms may be clear enough to those in insurance but it is not understandable to the crowd. When trade, occupational or technical phraseology is used, the public at once considers the presentation as beyond comprehension.

The financial statements of companies can be made excellent public relations documents. When words are employed that clearly explain the terms used, then the man in the street can study a financial exhibit with under-

standing. The Institute of Life Insurance has done much to reform the methods used in presenting these annual figures to policyholders and the people in general. In fact, companies are vying with one another in their effort to make them clear. Much streamlining has been done so that the 1941 models are really easy to understand.

Not so much has been accomplished by the fire, casualty and specialty companies in using understandable language in the preparation of their annual statements. The output of many life companies could be studied to good advantage in this respect.

### Loss Service by Agents

*"Even if they are told the loss has been assigned to a certain adjuster, the overwhelming majority of assured will continue to look to the man from whom they bought insurance. As likely as not, a member of the public may not understand the roles played by different persons in the settlement of a loss. At all events, the agent or broker has promised him service and the insured will almost certainly take his questions to him while settlement is in progress. Accordingly, it is important for the producer to have some record of current losses to which he can refer with a minimum of trouble and delay."*

This paragraph is from the current issue of the "Fire, Casualty and Surety Bulletins," agency management section.

Regardless of who handles a loss, whether an independent adjuster, bureau or field man, the producer who is responsible for the line and is in con-

tact with the policyholder, is looked to for loss service. Naturally the producer should be exceedingly careful what he does and what he says, for an indiscreet promise or some comment may have a binding effect. He should be particularly careful what he sets down in writing. At the same time there are certain personal services that he can offer and render that are worth while. In time of loss and especially if a claim is an important one, the assured is in a troubled state of mind. He needs a friend at court who can be a personal counsellor, assure him that everything will be done in the right order and if there is any delay or complication he will get in contact with the adjusting authorities. The agent in case of any claim is an important factor. He should appreciate his responsibility and his duty when the policy becomes a claim.

### Excellent Time to Check Up

OWING to radically changed conditions, values have been affected in many lines. Because of an artificial stimulation conditions in many businesses need a careful review to bring their insurance up to date. A loss now without adequate coverage might mean

a severe jolt in many lines of business.

This is a time when agents can render a genuine service. It is certainly their duty to keep in close touch with their assured that would be affected by present day conditions and meet changes as they arise.

### Should Follow Beaten Paths

In times of business upturn, when applications come more easily, when premium increases are recorded, there is always danger both on part of companies and producers to plunge, to stray into forbidden paths. We ignore those economics and business laws that are

fundamental. Loss ratios are inclined to be lower under such conditions. Underwriting practices are strained or ignored. We take it for granted that these new conditions will be permanent.

Time and experience have established well defined principles, have paved the

road. When these abnormal days come, there are those that think they can ignore the lessons of the past and can safely override what the years have taught. They become warped in their judgment, and the promoter or speculator spirit dominates them. For a short time, their results are most gratifying but eventually the evil day arrives and a different story is told.

We admire those in the business who are not swayed by temporary winds, who look ahead, who realize that there are only 100 cents in a dollar. Such men are not working on a short term program but they are interested in the future as well as the present. At this particular juncture we see some wandering from the open road where the way is clear and the destination known.

## PERSONAL SIDE OF THE BUSINESS

**Charles D. Mackenzie**, state agent for Northwestern Fire & Marine and Twin City in Illinois, Michigan, northern Indiana and part of Missouri, has returned home from the hospital where he was confined a week following an automobile accident in Chicago. The automobile was a total wreck and Mr. Mackenzie and his daughter, Marion, were severely but not dangerously injured.

**T. W. Earls**, vice-president of the Earls-Blain agency, Cincinnati, qualified for the national amateur golf championship at Omaha Aug. 25-30 by shooting 152 in a 36 hole qualifying tournament at Camargo country club.

**Harry N. Smith**, secretary of Automobile and Standard Fire, observed his 25th anniversary with the companies. He was with Scottish Union & National for eight years before he joined Automobile and Standard as an examiner in 1916. Later promoted to agency superintendent, in 1927 he was elected assistant secretary of Automobile and in 1929 of Standard. He became secretary of both companies in February, 1939. Mr. Smith is a director of the Insurance Institute of Hartford.

**Charles O. Goodwin**, superintendent of the automobile department of Great American in the west, is on a motor trip with Mrs. Goodwin and their son, who has just graduated in journalism from Northwestern University, to the Pacific Coast. They started out via Seattle and will return by way of Los Angeles.

The 75th birthday of **Al Heiman**, pioneer agent of Oklahoma City, was celebrated with a garden party at the home of his son, Herbert Heiman. He is president of the Al Heiman & Co. agency, founded in 1921, in which he was later joined by his son Herbert. Before that he had had more than 12 years experience with Ed Seman & Co.

**Thomas Y. Ramsdell**, comptroller of the Factory Association, was honored by the management on completion of 35 years of service. Mr. Ramsdell started as office boy, was advanced to clerical duties and then to the accounting department. He became chief accountant and finally comptroller, which position he has held for many years.

**C. W. Good**, Illinois state agent of London & Lancashire, underwent a major operation at the Mayo clinic in Rochester, Minn., last Friday and is reported doing as well as can be expected.

**John James**, Salt Lake City agent of the Occidental Life of Los Angeles, presided over Cambrian Day at Saltair Beach near his city, Aug. 15, he being president. This was the 48th annual reunion and outing of the Welsh people

of Salt Lake City and other parts of Utah. He gave the introductory speech and introduced the master of ceremonies, Mr. James is former insurance commissioner of Utah.

**Miss Martha Lou Dakin** recently won the women's district medal play championship at the Walnut Grove golf course Dayton, O., having a score of 166 for 36 holes. Miss Dakin is the daughter of **Karl D. Dakin**, present head of the Dakin agency at Lebanon, O. He is of the third generation of his family to own the agency, which was established by his grandfather about 65 years ago. Ohio Farmers has been continuously represented.

**J. C. Johnson**, Indiana state agent Pennsylvania Fire, who suffered a broken knee cap in an automobile accident about two weeks ago, has returned home from the hospital but it will be several weeks before he can resume his field work.

## DEATHS

**W. A. Twenhoeft**, 83, retired president of the Twenhoeft Company agency, Belleville, Ill., died from the infirmities of age. He founded the agency in 1905.

**Warren K. Smith**, who until about six or seven years ago was Ohio state agent for Yorkshire, and had traveled for other companies in earlier years, died unexpectedly in Cleveland after a short illness.

**Hollis B. Long**, 60, Tennessee special agent for Hartford Fire, died at his home in Knoxville after just a few days illness. He had been with Hartford since 1920 and had been in the eastern Tennessee field for that company since 1927. Earlier he was with Hartford Fire as an engineer in Indiana. His first insurance experience was with the Tennessee Inspection Bureau.

He had a number of hobbies including archery and photography. He was Tennessee state archery champion and won a number of prizes as an amateur photographer. Representing the western department at the funeral were C. E. Wheeler of Smith & Wheeler, western managers, and Assistant Manager J. T. Leavitt.

**W. H. Stegeman**, 63, retired inspector of the New England Insurance Exchange, died at his home in Lynn, Mass., following a long illness. He joined the exchange in 1905 and served until retirement because of illness in 1935.

**George Harrington**, 64, one of the best known independent adjusters of New York City, died at his home in Garden City, N. Y., following an ex-



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tended illness. He had been connected with fire underwriting since 1900. For years he successively represented the Germania Fire, now the National Liberty, in the field and as an official at the head office in New York. From 1922 to 1926 he was with the loss department of Home, then with the New York Board's committee on loss adjustments. He later entered independent adjusting.

**Frank A. Benson**, 72, member of the local agency of Benson & Wharton, Excelsior Springs, Mo., died there. He had been seriously burned in a fire following a gas explosion, in an effort to protect his great-grandson, who was fatally injured.

**Herbert G. Brown**, 80, who had operated an agency in Kalamazoo, Mich., since 1923, died at the home of a daughter there after a brief illness.

**John V. Bostwick**, associated in different capacities for 15 years with the Philadelphia metropolitan department of the North America, died Saturday at his summer home at Prout's Neck, Me., at the age of 56 years.

**H. H. Greve**, 82, manager for 20 years of the Peoples Insurance Agency and organizer and first president of the People's State Bank, New Holstein, Wis., died there.

**John E. Mercer**, 78, retired agent of Bowling Green, Ky., died there.

## CALLED TO SERVICE

**George Jackson**, claim manager American Motorists, Los Angeles, has been ordered to active duty in the army and now is serving as a captain judge advocate general's department, stationed at the Presidio, San Francisco.

**Lester Tubbs**, Santa Ana, Cal., adjutant, now is on active duty as a major of infantry in command of the recreation center at Biloxi, Miss.

**George Smith**, special agent of Aetna Casualty in Cleveland, a second lieutenant in the air reserve corps, has been called to service at Randolph Field, Texas.

**James F. Gould**, son of Fred Gould, well known Arkansas City, Kan., agent, has been called to military service at Fort Leavenworth. While attending Wichita University in 1938 the N. F. P. A. selected his Fire Prevention Week poster submitted in the Wichita campaign sponsored by Dulaney, Johnston & Priest as the basis of its official poster for that year.

**Capt. Charles M. Taylor**, a member of the firm of Taylor & Richter, Little Rock, and commanding officer of the 154th observation squadron, has been ordered to report to Washington, where he will become attached to headquarters of the army air force.

## Suit Being Brought Against Directors

(CONTINUED FROM PAGE 6)

ment. Figures are cited showing wide disparities between the reported unpaid losses, notes payable, and interest owing and the actual totals existing in these categories. In spite of the impaired condition of the mutual, it was further noted, directors and officers were not compelled to pay in full their own assessments but they collected directors' fees, even ordering a payment of back fees to themselves at the meeting at which they turned over the mutual's affairs to the commissioner acknowledging its hopeless insolvency. Amounts of assessments owed by seven directors ranged from \$14.25 to \$132, according to the declaration.

Failure to reinsure risks in excess of the amount that legally might be retained by the mutual was also noted, a specific case being cited of a total of \$16,000 insurance being written on two barns of one George E. Mott when the



"It's O. K., Clancy, if I've got to close up. My Use and Occupancy policy will take care of things."

mutual's total volume at that time required reinsurance of all amounts over \$4,000 in any one risk.

## Kan. Rules Against Wheat Loss Formula

(CONTINUED FROM PAGE 6)

the government under the Agricultural Adjustment Act. If companies operating in this state have made a deduction of any penalty in the settlement of losses, such companies shall get in touch with their policyholders, and make settlement as above provided."

### South Carolina's Increase

The South Carolina will hold a special meeting Sept. 16 at its home office in Columbia to act upon a recommendation of the directors that the authorized capital be increased from \$200,000 to \$300,000. E. G. Seibels is president. The company began business in 1910. It has a net surplus in excess of \$400,000.

### Grand Rapids Outing

The Grand Rapids (Mich.) Association of Insurance Agents will have a picnic next Monday at the Cascade Mills Country Club. All offices will close at 1 o'clock. Dinner will be served at 7:30. There will be a golf tournament in the afternoon.

### California Agents Affected

SAN FRANCISCO—Of 2,240 fire and casualty agents and solicitors notified of forfeiture of licenses because of failure to renew before the July 31 deadline, 563 paid the penalty and qualified, receiving license renewals. The others must now take the qualifying examinations if they desire to act as agents or solicitors.

En route to the Pacific coast, **J. A. O. Preus**, vice-president W. A. Alexander & Co., Chicago, and his family were detained in Minneapolis by the illness of their son, Jack. The son was taken to a hospital for treatment. Mr. Preus is a former Minnesota governor and insurance commissioner.

## Discuss Details of Installment Curb

Tentatively suggested for curbing installment credit is the maximum 18 months payment period with a down payment of one-third on larger purchases such as automobiles, it is reported from Washington. The suggestions came out of the conference of the Federal Reserve Board last week with representatives of banks, finance companies, dealers, etc. The board expects to work out a definite schedule and then put it into effect, probably some time in September. Those extending credit may be licensed, with the revocation of license for violators.

The payment period on items costing less than new automobiles, say, might be less than 18 months. The down payment might be 20 percent on radios, refrigerators, etc., and 15 percent on plumbing and air conditioning.

While groundwork for an installment curb was being laid, representatives of the Office of Production Management and of the motor car industry were going over plans for 1942 automobile production.

Underwriters are interested in the suggestion made for eliminating decorative trim from passenger cars and cutting down on such things as grillwork, extra lights, etc. The increasing use of these things on automobiles in the last year or two has been responsible for greatly increasing the amount paid in cases of automobile property damage.

An initial cut of 20 percent in the production of automobiles has been agreed upon, but a more drastic reduction is possible.

### Western Bureau Meeting

The officers and directors of the Western Insurance Bureau have been called for Thursday of this week in Chicago to decide the time and place for the semi-annual meeting.

### Tom Merrell's New Son

T. D. Merrell of Denver, state agent of Home of New York, is father of an eight pound baby boy. He is Thomas David Merrell, Jr. Mr. Merrell formerly traveled in Illinois.

## Convention Dates

Aug. 26-28, Blue Goose grand nest, Asheville, N. C., George W. Vanderbilt Hotel.

Sept. 3-5, International Association of Insurance Counsel, White Sulphur Springs, W. Va., Greenbrier hotel.

Sept. 8-9, Insurance Advertising Conference, Hershey, Pa., Hotel Hershey.

Sept. 8-10, International Claim Association, Atlantic City, Ambassador Hotel.

Sept. 9-10, Iowa Agents, Cedar Rapids, Montrose Hotel.

Sept. 11-12, Michigan Agents, Grand Rapids, Hotel Pantlind.

Sept. 11-13, Minnesota agents, Kahler Hotel, Rochester.

Sept. 15-16, Montana agents, Billings, Commercial Club.

Sept. 15-16, Pennsylvania Agents, Shawnee-Delaware, Buckwood Inn.

Sept. 15-18, Canadian Superintendents of Insurance, Toronto, Royal York Hotel.

Sept. 16, Vermont Agents, Woodstock Inn, Woodstock, Vt.

Sept. 16-17, Western Underwriters Association, White Sulphur Springs, W. Va., Greenbrier Hotel.

Sept. 18, North Dakota Insurance Federation, Grand Forks, Dacotah Hotel.

Sept. 19-20, Wyoming agents, Casper, Sept. 19-20, Insurance Federation of New York, Rochester, Hotel Seneca.

Sept. 25-26, Wisconsin Agents, Milwaukee, Hotel Schroeder.

Sept. 24-26, Kansas agents, Salina, Lamer Hotel.

Sept. 24-26, New Jersey Agents, Ansbury Park, Berkeley-Carteret Hotel.

Sept. 29-30, Utah Fire & Casualty Insurers Association, Salt Lake City.

Sept. 29-30, Oct. 1-3, Insurance Section, American Bar Association, Indianapolis, Claypool Hotel.

Oct. 3-4, Colorado agents, Denver, Shirley-Savoy Hotel.

Oct. 6-9, Joint casualty convention, White Sulphur Springs, Greenbrier Hotel.

Oct. 6-10, National Safety Congress, Chicago, Stevens Hotel.

Oct. 8-10, Fire Insurance Accountants Conference, Norwich, Conn., Norwich Inn.

Oct. 13-16, National Association of Insurance Agents, Kansas City, Muehlebach Hotel.

Oct. 13, Missouri Association of Insurance Agents, Kansas City, in conjunction with National association.

Oct. 16-17, Ontario agents, Toronto, Royal York Hotel.

Oct. 20-22, Ohio Agents annual meeting, Hotel Secor, Toledo.

Oct. 27-29, National Association of Mutual Insurance Agents, Pinehurst, N. C.

Oct. 28-29, Indiana Agents, Indianapolis.

Oct. 28-29, Massachusetts Agents, Springfield, Hotel Sheraton.

Oct. 31, New Hampshire agents, Carpenter Hotel, Manchester.

Nov. 3-6, National Association of Mutual Insurance Companies and Federation of Mutual Fire Insurance Companies, Los Angeles.

Nov. 5, Connecticut Agents, New Haven, Hotel Taft.

Nov. 6-7, Illinois Agents, Peoria, Pere Marquette Hotel.

Nov. 10-12, California Agents, Sacramento, Hotel Senator.

Nov. 18-19, Georgia Agents, mid-year, Macon.

Dec. 8-10, National Association of Insurance Commissioners, mid-winter meeting, New York, Hotel Pennsylvania.

## Settle Minnesota High School Loss for \$186,577

MINNEAPOLIS—Proofs went out this week on the Mankota high school fire which occurred July 19. Under the settlement, arranged by Charles L. Me-hagen, Minneapolis manager of Western Adjustment, 34 stock companies with 48 policies will pay the Mankota school board \$186,577.

This is one of the heaviest losses in Minnesota in recent years. The exact cause of the fire has not been determined but a careful investigation by the state fire marshal's office left small doubt that it was an accidental fire. Loss was practically total.

The Virginia Fire & Marine has declared a dividend of 2 percent payable Sept. 2. A similar dividend was paid last March.

Read *Manufacturer & Insurance* by L. R. Myers to increase your sales. Send \$3 for copy to National Underwriter.

### WANTED

An experienced fire protection engineer and rate schedule man for territory outside California. This is a worthwhile position for the right man. Apply in writing, giving full qualifications to: Box N-86, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.



Automobile  
Liability & P. D.



Personal Lia-  
bility Insurance

## It's EASY for Agents to Advertise the Hartford Way

**H**ARTFORD producers are provided with sensible, practical sales tools. The "self-mailing" advertising folders here shown are a case in point.

These are a result of a first-hand study of the actual sales promotion problems of typical agencies. Through field observation we found that if advertising is to be used, it must be simple and easy to handle.

So we created these "self-mailers" for Hartford agents as an answer to their advertising needs. Each of these circulars delivers a complete sales message, without

the need of supporting letters. Included in each is a convenient reply card which is a first class lead for business when returned by a prospect.

The Hartford is an agency-minded company and gets down to cases in its efforts to help its agents conduct their business more easily and more profitably. This advertising "produced for use" is just one example.

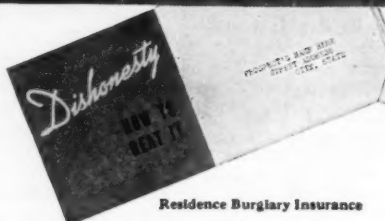
The Hartford field man in your territory can show you these "self-mailers" and other helpful Hartford sales tools. If you'd like to see them — without obligation — drop us a line.



**HARTFORD ACCIDENT AND INDEMNITY COMPANY**  
Hartford, Connecticut



Residence Liability Insurance



Residence Burglary Insurance



Golfer's Liability Insurance



Automobile  
\$1,000 Single  
Limit Policy



\$500 Residence  
Burglary Policy



# The NATIONAL UNDERWRITER

August 21, 1941

CASUALTY AND SURETY SECTION

Page Thirteen

## Consider Policy Fee for Weekly Auto Premiums

### N. Y. Department Faces Question of Meeting Short Rate Requirements

ALBANY—Charging of a policy fee is one of the suggestions being considered by the New York department to cover the extra expense incurred by agencies in handling automobile liability premiums which are paid on a monthly or weekly basis. Some such plan is also needed to keep the agency from getting too far behind the short rate cancellation table in the event the insured drops his coverage. Other suggestions for accomplishing the same end are a special rating plan for these installment premiums which would include as a condition of the higher premium a waiver of the short rate cancellation provision; and a minimum premium, somewhat in the nature of a down payment, which would not be refunded in the event of cancellation.

The department is faced with something of a dilemma. Sufficient premium is supposed to be collected so that no matter when the insured cancels there will have been collected at least the amount called for in the short rate table. On the other hand, when the new financial responsibility law goes into effect Jan. 1 there is bound to be a big demand for automobile business on the monthly or weekly payment basis. Agencies which have popularized weekly and monthly payments on automobile insurance insist that having to keep ahead of the short rate table would impose a very serious sales barrier. The plan developed by the companies, for example, calls for payment of 20 percent the first month and 10 percent a month for the next eight months. One-fifth of the full premium seems high to many buyers.

### Agents Financed by Banks

This plan is not used by the agents who have made big successes of weekly and monthly payments, most of them getting their financing from banks. One question that has come up is how the agencies manage to avoid loss under the short rate penalty which they are obviously in no position to collect from the insured, since his payments barely keep step with the pro rata premium. It is surmised that because of the important premium volume obtained from these agencies the companies are unusually liberal in permitting agents to cancel policies for reasons ostensibly other than non-payment of premiums since the latter would call for the short rate premium.

One reason for preferring the policy fee as a means of compensating the agent for his extra work is that it gives the entire extra amount to the agent and it is he who does the extra work. This

(CONTINUED ON PAGE 20)

## Claim Association Speakers Shown

### Distinguished Array of Talent Scheduled for International Convention

The program for the annual meeting of the International Claim Association which will be held at the Ambassador Hotel at Atlantic City, Sept. 8-10, has been announced. Owing to the death of C. E. Anstett of the New York Life, who was president, P. J. O'Connor, General American Life, St. Louis, the vice-president, will be in charge. L. L. Graham of the Business Men's Assurance is secretary. The executive committee consists of W. R. Hein, State Mutual Life; G. M. Day, Connecticut General Life; A. G. Fankhauser, Continental Casualty; D. J. Reidy, Guardian Life of New York; Lee Wilks, Lincoln National Life; F. T. Bernhard, Home Life of New York; F. L. Templeman, Maryland Casualty.

Holgar J. Johnson of New York City, president Institute of Life Insurance, will have as his subject "Claims Help Create Public Attitude." Mr. Johnson has made a real success as head of this organization. Berkeley Cox, associate counsel of the Aetna Life, who was appointed chairman of a committee by the Association of Life Insurance Counsel to study the question of community property and its relation to life insurance, will talk on "Claim Settlements in Community Property States." He became associated with Aetna Life in 1925 as attorney at the head office.

### Prosecutor McDevitt Will Speak

V. P. McDevitt, assistant prosecutor of Philadelphia, will talk on the "Arsenic Murder Ring." He is a member of the law firm of Burch, McDevitt & Watters of Philadelphia. He became assistant district attorney in January, 1935. He has been in charge of other important cases such as the investigation of the minor judiciary of Philadelphia county, the obscene literature drive and the investigation and prosecution of the straw ball ring.

Col. L. A. Johnson of the law firm of Septoe & Johnson of Clarksburg and Charleston, W. Va., who was assistant Secretary of War from 1937 to 1940, will be one of the star speakers of the occasion. He served as national commander of the American Legion in 1932-33.

### Panel Discussion

J. D. DeWitt will preside at the panel forum discussion. He has been connected with insurance claims for many years. He went with the Travelers as a field man in 1925 and later was made supervising adjuster of the claim office in New York. In 1940 he was transferred to the home office where he is assistant manager of the claim department.

Roger P. Ganier, Chicago, district inspector New York Life, will have as his subject "Investigation of Disappearance Cases." He became associated with the company as inspector in 1927 and in 1930 was made district inspector in Chicago. He was president of the Chicago Claim Association for the year ending 1940.

## Amendment to N. Y. Auto Law Suggested

### Proposal Would Make Standard Policy Acceptable Under Measure

NEW YORK—The New York legislature's joint committee on insurance law revision raised no objection at its meeting at Bolton Landing to the proposal of the stock and mutual companies to offer an amendment to the new financial responsibility law so that anyone involved in an accident and having a standard automobile policy will be considered to be insured under the terms of the law.

While the standard policy is being broadened considerably, such as by the elimination of the minimum age requirement, permitting carrying of persons for hire but not on a livery basis and permitting use of borrowed trailers, there might be rare instances where the motorist might not be covered. The law states that the financial responsibility provisions will apply to him unless he has a policy which covers the accident in which he is involved. Also there is the question of liability, since the policy would not pay unless the assured were liable.

### Would Include All Cases

The desired amendment would provide that the standard policy satisfies the law's requirements no matter what the type of accident. It is believed that practically every case would be covered, but even in the isolated case which was not covered the motorist would still be able to drive.

Another point receiving considerable attention was the prohibition against re-registering cars involved in financial responsibility accidents resulting in unsatisfied judgments. Representatives of two of the leading automobile finance companies, Commercial Investment Trust and General Motors Acceptance Corporation argued that the law would apply unfairly to bona fide lien holders and that some provision should be made so that the re-registration ban would not prevent them from selling automobiles which had been repossessed from owners involved in financial responsibility accidents. The difficulty with differentiating between types of lien holders is that those who did not care to purchase insurance might place fictitious mortgages on their automobiles and thus get around the ban against the car's sale which the financial responsibility law is designed to impose.

### Sponsors Wanted Ban

There may be some difficulty about getting this re-registration ban relaxed in favor of the finance companies, for although the insurance companies did not favor it some of the influential sponsors of the law sought this provision as a means of forcing finance companies to require installment purchasers to carry liability insurance. Otherwise, it was argued, these buyers might not worry about the re-registration ban, since their equity in their automobiles would be slight.

There was little discussion of the as-

## Realistic View of Casualty Business by Continental Men

### Rate and Underwriting Changes Outlined at Claim Convention

An extremely realistic but well thought out view of the problems facing insurance and the country generally was presented at the annual claim convention of Continental Casualty in Chicago. About 250 attended the meeting, over which W. G. Caples, general attorney, presided.

Some form of financial and economic reorganization is bound to occur in the United States if it proceeds on its present course, and this may be within the next ten years, M. P. Cornelius, president, predicted. However, Mr. Cornelius believes that men with courage and adaptability will come through, whatever form the crisis may take.

Continental has revised its underwriting procedure in some respects, and plans to raise rates slightly in several more states to offset mounting automobile public liability and property damage claims, G. E. Hofmeister, vice-president in charge of underwriting, reported.

### Behrens on Program

For the first time in 18 years Roy Tuchbreiter, executive vice-president, did not appear on the program, being called away on business. His place was taken by H. A. Behrens, chairman of the board, who appeared at the claim men's session for the first time.

For the 18th consecutive year Mr. Cornelius opened the sessions. The successful business man of the future, he said, is going to have to take a more intensive part in the broad social, political and economic activities of the country.

Because fundamental economic laws are being violated, Mr. Cornelius believes that the country will eventually have to go through a 77B, so to speak. He said that if he could get 25 cents on the dollar in terms of present purchasing power, as of 10 years from today, he would be happy to make the bargain.

### Fit Will Survive

This is not as gloomy a prospect as it might seem "if we realize what it is all about." The wealth now being spent so rapidly didn't exist except in small part within the memory of many men now living. The world was there before and will be there after. Men will con-

(CONTINUED ON PAGE 20)

signed risk plan, as this is still under consideration by a joint committee of stock and mutual carriers. The financial responsibility law was the sole topic discussed at the meeting.

## Interpretation of Ruling Erroneous

### Casualty Organizations Call Attention to Dispatch of "Associated Press"

NEW YORK—The National Bureau of Casualty & Surety Underwriters, American Mutual Alliance and Mutual Casualty Insurance Rating Bureau call attention to the fact that in the story regarding their voluntary modification of the underwriting rule so that more of the private passenger cars could cooperate with Defense Coordinator Ickes' "Share Your Car" campaign without increasing insurance premiums or voiding the policy contract, the "Associated Press" dispatch stated that the ruling made "the 10,000,000 odd passenger automobiles in the east each a potential semi-taxi." The modification permitted insured private passenger car owners to carry passengers for a charge, which previously was not permissible under standard automobile liability policies without an additional premium of 10 percent. The three organizations involved make the following statement:

#### Interpretation a Mistake

"Such an interpretation is a mistake and should be corrected so that insured private passenger automobile owners will not remain under an impression that they may pick up fares where they find them, thereby substantially engaging in the hawking business in unfair competition with established taxicab and transportation companies, without violating the limitations of their private passenger car liability insurance policy. The press release issued by the organizations emphasized this fact in the following language:

"Attention is called to the fact, however, that this action by the insurance companies does not permit private automobile owners to use their cars as public or livery conveyances. All underwriting rules affecting a car used as a public or livery conveyance stand as heretofore without modification."

"The modification of the underwriting rules gives an insured private passenger car owner complete freedom to cooperate with Coordinator Ickes' plan to have neighbors, friends, fellow employees, etc., traveling to a common destination or over a common route, to use one car for that purpose, for which the owner of the car could charge a fee without endangering his insurance rights in the event of an accident. This is all that has been requested or is necessary under the gas conservation program of the government. Insurance companies could not authorize private passenger car owners to engage in the taxicab or public hawking business, and if they did so, state laws regulating such activities would nullify their action in many, if not all, of the states."

#### Kellison with Standard

Ralph C. Kellison, who has been connected with the Commercial Casualty group accident and health division at the home office as home office representative since 1938, has joined the group department of Standard Accident to work out of the home office. He joined Business Men's Assurance in 1929 and later was agency supervisor of Continental Casualty.

#### Florida Ruling Made

Supplementing his earlier approval for writing workmen's compensation insurance under the cost-plus-fixed-fee plan of the federal government, Commissioner Larsen of Florida now rules persons designated as advisers in such connection must be either licensed agents or brokers in the state. Texas has a similar provision.

## Replacement Clause Held to Give Automatic Cover

The provision in the automobile liability policy giving the assured 10 days in which to notify the company of replacement of one vehicle by another, is intended to furnish automatic coverage from the date of the acquisition of a replacing vehicle in the event that notice is given to the insurer within 10 days of the acquisition of the car, the federal court for the district of New Jersey has held in Jamison vs. Phoenix Indemnity.

The assured was one LaRocco, who sold one truck and purchased a new one and within 10 days the new truck became involved in an accident in which Jamison was injured.

Jamison contended that the policy insured the newly acquired car for 10 days irrespective of notice and since the accident occurred within that period he is entitled to have his judgment paid. Phoenix Indemnity contended that notice of replacement within 10 days was intended to operate as a condition precedent to the automatic coverage clause.

Within five days after the accident, Phoenix Indemnity cancelled the policy for non-payment of premium and the insurer was not given notice of the accident until more than three months thereafter. When the notice did come, it was through a third party and not LaRocco.

## Rules on "Carrying for Charge"

In connection with the elimination by casualty companies of the "carrying for a charge" exclusion, the Indianapolis city attorney has declared that drivers who haul passengers for hire without a city taxicab license become "taxi bootleggers." Taxi licenses cost about \$36 a year per car. Some years ago the Indiana attorney-general held that automobiles used in this manner were contract carriers and subject to state regulations through the Indiana Public Service Commission.

## Hartford Steam Boiler Premiums

The Hartford Steam Boiler premiums for the first six months were \$3,276,669 against \$3,505,598 for the similar period last year. The decrease was expected in view of the 71 percent gain made in 1940 over the preceding year. The total premiums last year were \$6,155,000. The income for the first six months was \$3,843,429, exceeding disbursements by \$753,333. The assets are \$21,019,126 compared with \$20,155,519 a year ago. The premium reserve is \$9,159,937 as compared with \$8,858,896. Surplus is \$7,511,471 as compared with \$7,423,720.

## Dr. Rosentein at Springfield, Ill.

Dr. J. L. Rosentein has been appointed general agent by the Inter-Ocean Casualty at Springfield, Ill. Dr. Rosentein has been professor of psychology at Butler University and has been retained in advisory and educational capacities by insurance companies for some time. He has spoken on the psychology of selling before a number of insurance gatherings.

## Iowa Cost-Plus Project

One of the first insurance contracts to be awarded under the war department cost-plus plan was in connection with construction of the Des Moines ordnance plant near Ankeny. Insurance was awarded to Employers Mutual Casualty of Des Moines. The Des Moines local agency of Witmer, Kauffman & Evans has been named as insurance adviser. Employers Mutual Casualty will set up a plant hospital in charge of G. W. Conner, for 17 years with the claim department of Employers Mutual.

Lou Byerly and Oscar Nanfeldt, safety engineers from the Employers Mutual's Chicago office, are to work with construction companies on measures designed to further the safety of the workers on the project.

## Writes Cover for Street Railways

### Hartford Accident Contracts for W. C. and P. L. on St. Louis System

ST. LOUIS—Effective Oct. 1, Hartford Accident will insure the workmen's compensation and public liability for the St. Louis Public Service Company, which operates the street railway and motor bus transportation system in St. Louis and St. Louis County.

Considerable interest attaches to the move since the street railway systems of the country long have been self-insurers. Such companies are among those most subject to damage claims, and they have of course, a great many employees.

The St. Louis company has been paying claims from a special fund set aside for that purpose, and it maintained its own claim department for claim investigation, adjustments and litigation. Personnel of the company's claim department, numbering about 75, will be taken over by Hartford Accident.

The annual maximum premium to be paid Hartford Accident by the utility will be \$1,453,000. This peak price will be subject to adjustment downward under a profit sharing plan. If the public service company's loss experience in any year is favorable, it will get the benefit of a credit in the premium.

The big contract was negotiated through Thomas L. Farrington, a vice-president of the Lawton-Byrne-Bruner agency, St. Louis general agents for Hartford Accident.

The public service company had a special reserve of \$1,212,000 set up last year to cover claims for personal injury and property damage.

## E. C. Stone Reviews RFC British Loan Agreement

SAN FRANCISCO—A full explanation of the recent agreement between this country and Great Britain whereby the Reconstruction Finance Corporation loaned the latter \$425,000,000, especially as its terms affect British companies and American companies owned wholly or in part by the British companies, was given to about 90 San Francisco brokers by E. C. Stone, United States manager and attorney of Employers Liability.

Mr. Stone, accompanied by Frank Boyle, assistant manager of the agency department of the employers group, visited San Francisco between conventions of the Washington and Oregon Associations of Insurance Agents, both of which he addressed.

In discussing American companies owned by British companies he explained that the American companies in the Employers group are wholly owned in this country and are therefore not involved in the loan, and emphasized that the loan does not affect in any way the security of United States creditors or policyholders. He also emphasized the importance of insurance in the national defense program as a duty and a responsibility—but this duty and responsibility, he said, is also an opportunity for the producer. He was introduced by William Witkoff, Pacific Coast manager of the Employers group.

## Probe of Bail Bond Brokers

LOS ANGELES—Commissioner Caminetti has brought his war on bail bond brokers, whose actions are not in conformity with his interpretation of the code sections governing them, to Los Angeles.

Hearings have been started on orders to 10 holders of such licenses to show cause why they should have their licenses renewed for the year. It is understood that others will be taken up until practically the entire southern California list has been probed.

## Large Debenture Sum Is Accepted

### Payment Is Made by 14 Concerns Affiliated with Maryland Casualty

BALTIMORE — Maryland Casualty announces that a total \$7,454,624 face amount of debentures tendered on the call for Aug. 15, has been accepted for purchase by the 14 debenture corporations which issued it. The total issued price plus commissions was \$4,163,123, all of which will be paid by debenture corporations from their own assets.

With the exception of \$32,550 face amount of debentures of two corporations all the debentures accepted were tendered at or below the limited acceptance prices stated in the call. Maryland Casualty guarantees interest, but not principal, of these debentures.

#### All Purchased Debentures Canceled

All the purchased debentures will be canceled, thereby reducing the aggregate amount of the debentures of these corporations on which the Maryland is guarantor of interest from \$19,612,364 to \$12,157,740. Of the debentures of these corporations which will still remain outstanding \$1,552,880 are now held by Maryland Casualty itself.

An aggregate of \$9,333,494 face amount of debentures were tendered on the call for tenders, and, after accepting \$7,454,624.59 of this amount, the remainder were declined.

As a result of debenture purchases made by them, three debenture corporations have exhausted all the principal assets, at the same time leaving an aggregate of \$492,100 face amount of their debentures outstanding. While the principal of these debentures will have no liquidating value, the holders will continue to receive guaranteed interest to their maturity.

The corporations whose assets have been thus exhausted are: American Debenture, Continental Debenture and Franklin Debenture.

#### Liquidating Values

After giving effect to purchases of debentures on the call for tenders, the remaining corporations have announced the respective estimated liquidating values per \$100 of their outstanding debentures as follows: Arundel, 17.72; Calvert, 1.71; Carolina, 42.06; Continental Investment, 31.75; National, 12.59; Potomac, 17.57; Potomac Consolidated, 14.67; Potomac Franklin, 29.43; Potomac Maryland, 57.01; Potomac Realty Atlantic, 11.96; Standard, 53.66.

## Hughes in Fort Smith Post

FORT SMITH, ARK.—Gerald W. Hughes, who for the last four years has covered Arkansas and Oklahoma for the Commercial Standard, has joined the staff of Commercial Underwriters here, of which W. L. Hinton, Jr., is president.

Robert J. Walker, advertising manager of Standard Accident, was honored at a surprise gathering in his office on his 10th anniversary with the company. He was presented a Ten-Year Club lapel button by E. A. Warnica, assistant secretary, and a floral tribute from officers. He started in 1923 in the liability claim department, then was transferred to the agency department, and later the advertising department. Mr. Walker left the company in 1927, joining the Chrysler Corporation advertising department; in 1929 was made assistant director of advertising of the Plymouth Motor Corporation, and also was associated with Kelvinator and the McManus, John & Adams advertising agency. He returned to Standard Accident in 1937.

Get Non-Resident Agency & Brokerage Laws. \$1. National Underwriter.



## Safety Campaign Builds Good Will

**Drive Started by Detroit Agents' Association Makes Great Progress**

DETROIT—Started by the safety and accident prevention committee of the Detroit Association of Insurance Agents, the city-wide coordinated safety campaign has made remarkable progress the past six months and has created much good will for insurance agents, Fred Esper, Rohde agency, association vice-president and chairman of the committee, reports.

Aiming at both the auto driver and pedestrian, 150 large billboards under the association's signature were erected in January and February. Since that time the city has put up a number of street-intersection posters, changed every two weeks, on which are stenciled the slogan, "Watch While You Walk," which was introduced on the association's billboards. The mayor sent a printed message on safety to 39,000 city employees.

### Slogan Is Widely Used

The association's slogan has also been adopted by 50 large companies for postage meter machines, mailing more than 300,000 pieces of mail per month. The slogan has also been furnished to a number of advertising mediums and merchants for use in their own advertising, while several large chain store groups have used it in their stores and on their trucks. The committee supplied 15,000 "Watch While You Walk" signs to the city for display on street cars, buses and city-owned vehicles as well as 5,000 more to privately owned commercial vehicles.

Spot safety announcements have been carried regularly by the local radio stations, a daily safety message goes out over the public address systems at the Fair Grounds race track and at Briggs Stadium during ball games. Publicity releases have been carried by local newspapers and foreign-language papers. Paper cups used by the department of parks and boulevards carry a safety message.

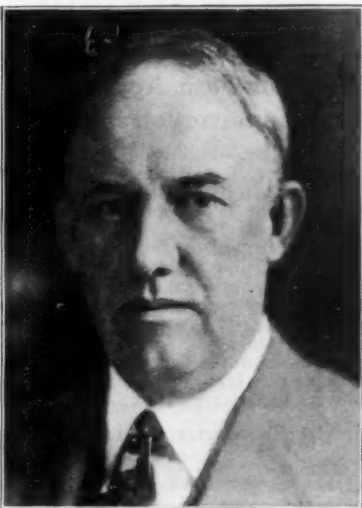
### Newspaper Advertising

Full-page "ads" have been carried by local Sunday papers; the house organ of the telephone company, reaching 592,000, carries safety messages; a local newspaper sponsored safety talks in the schools and a large number of posters were furnished to the Detroit Industrial Safety Council for posting in industrial plants. Information and some posters were supplied to outstate Michigan cities and some outside of the state, Mr. Esper stated. A 35-foot Neon sign reading "Watch While You Walk" has been installed across the face of the city hall and is being duplicated by several industrial concerns.

## Young Boy Gets the Safety Award in Mississippi

The Mississippi Association of Insurance Agents took the occasion of the regular monthly meeting of the Yazoo Delta Local Agents Association, a subsidiary unit of the state association, to present a traveling bag to Vassar Hemphill, Jr., of Greenwood for winning the championship in the Mississippi state finals of the Ford Good Drivers League contest. The presentation was made by Theo. Hardy, Vicksburg, president of the Mississippi association. The association complimented young Hemphill on his achievement because of its interests in accident prevention work. The association annually conducts a program to encourage safe driving of automobiles, as well as other safety measures in accident prevention.

## New Vice-president of Commercial Indemnity



FRANK A. UNGLES

INDIANAPOLIS—Commercial Indemnity through its production unit, Commercial Underwriters, has elected Frank A. Ungles executive vice-president in charge of production for the United States.

Mr. Ungles was one of the founders of Southern Surety and Southern Fire, now Gibraltar Fire & Marine, both of which were purchased by Home of New York. He was with National Union Indemnity, Pittsburgh, as vice-president. In 1940, he compiled and edited a book on casualty, surety and fire insurance for Dunne's Reports.

Mr. Ungles and Ralph J. Daly, president of Commercial Indemnity, in their former connections helped develop and organize more than 9,000 casualty agencies and branch offices. Consequently Mr. Ungles understands agency problems.

## Agree Not to Sell Group Occupational Coverage as Compensation in Michigan

LANSING, MICH.—A consent decree under which the Hoosier Casualty agrees not to portray its group occupational accident coverage in this state, as workmen's compensation insurance has been entered in federal court at Detroit, James F. Shepherd, assistant attorney-general announces.

The decree, handed down by Judge Ernest O'Brien, closes an action brought by the Indiana carrier in an effort to force the approval of Commissioner Berry of its group occupational accidents policy. The commissioner had disapproved the plan of operation, particularly the taking of an assignment of benefits from employees by the insured employer.

The decree sets forth legality of the Hoosier Casualty plan but provides that the company shall not in the future attempt to sell this form of coverage as a substitute for workmen's compensation. Selling methods in the past, according to complaints filed with the department, have been to offer the plan to employers, chiefly small self-insurers, as the equivalent of compensation coverage at a reduced premium cost. It was explained that while benefits approximate those paid under the compensation law, the coverage is not nearly so comprehensive and does not provide for cases in which recurrence or aggravation of an occupational injury creates added liability. The fact that employees were required to assign their benefits under the policy was always viewed by supervisory authorities with doubt.

## Urges N. Y. Agents to Get "Hot" in Selling Auto Cover

Travelers has put out some effective literature to stimulate its agents in New York state to concentrate on selling automobile insurance to those not now covered in view of the fact that the stringent new financial automobile responsibility law goes into effect there Jan. 1. It is captioned "New York State Auto Race. Two years to make good or else! If new law fails to pass crucial test, within two years, compulsory insurance 'will surely come' Motor Vehicle Commissioner Mealey warns."

Then follows a story based on an interview with Commissioner Mealey by Wesley S. Griswold of the publicity department of Travelers.

Mr. Mealey is quoted as stating that he still favors compulsory insurance and that the new financial responsibility law is in his opinion "second best." However, he states that he is determined to give the new law a fair trial. He implied that if the statute does not bring about a vast increase in the number of registered cars insured within two years, he believes that compulsory insurance is inevitable.

### Vast System of Reports

Mr. Mealey stated that the department under the law will require reports not only from all persons involved in personal injury accidents but from all those involved in property damage accidents. Not less than 10 nor more than 45 days after getting such a report the operators, owners or both of the cars involved must furnish sufficient security by means of insurance or otherwise to satisfy any judgment that may result. The procedure is not required if the operator or owner responsible for injuries or property damage in excess of \$25 confesses judgment and with the consent of the injured party agrees to pay in installments satisfactory to the judgment creditor. The motor vehicle department will suspend the judgment debtor's license upon notice of default in payment of an installment.

Nevertheless, whatever arrangement is made concerning settlement for the accident that has occurred, financial responsibility for the future must be shown.

Failure to file a report is a misdemeanor and constitutes grounds for suspension or revocation of license. The department has several ways of discovering those who do not report. For instance, state and local police are required to give reports of each automobile accident that comes to their attention. The courts are required to inform the motor vehicle department of every conviction for traffic violations other than parking. Then there are newspaper clippings. If the department does not hear from those involved in accidents that are reported in newspapers within five days, they will be notified to submit immediate reports.

Administration of the law will require expansion of the department to the extent of about 500 persons, Mr. Mealey said. That number will be required mainly to handle the reports. It is predicted that there will be some 650,000 reports each year.

Travelers states that it will make speakers available to the various gatherings throughout New York state from the agency field service division and from the publicity department. There will also be prepared a suitable talk for those agents who desire to make their own appearance before public groups.

## Chicago Office Building Burns With \$125,000 Loss

An estimated insurance loss of \$125,000 resulted from a fire which gutted the two-story Austin Merchants' building on Chicago's west side, destroying eight ground-floor stores and a bowl-

## Travelers Has New Accident Manager

HARTFORD—Howard E. Critchfield has been made a vice-president of Travelers and given direction of the accident and group departments.

Both departments had been under the supervision of the late B. A. Page until his death July 30. Mr. Critchfield was associated with Mr. Page in both departments from 1919 to 1933. Since 1933 he has been chief adjuster and secretary of all claim departments.

Mr. Critchfield is a graduate of Ohio State University and practiced law in Ohio prior to becoming an investigator of claims for Travelers in 1910. He was made adjuster at Columbus O., in 1912, and was called to the home office in Hartford as an examiner in the life and accident department in 1914. When Travelers began writing casualty lines on the Pacific Coast Mr. Critchfield was transferred to San Francisco as adjuster in charge of that territory.

In 1919 he returned to the home office as an assistant to Vice-president Page in the accident department. In 1922 he was made assistant secretary, and in 1925 secretary of the group department.



H. E. Critchfield

## Luxury Buying Is Well Under Way

MINNEAPOLIS—A luxury buying "spree" is getting under way, with the average worker family's surplus over living costs nearly doubled in the past 12 months, and defense priorities threatening many so-called non-essentials. The American public is surging forward to buy more jewelry, furs, pianos, luggage, and recreational items such as sporting goods, according to a study of current surplus income expenditures by Northwestern National Life.

### Cites Silk Experience

Although defense priorities already loom over automobiles, electric household appliances and many other lines, and army demands affect available supplies for civilian clothing and other industries, the survey as yet finds little or no evidence of excessive stockpiling up by consumers so far this year; instead the rising tide of buying only partially reflects the phenomenal expansion in the average worker's surplus spending power.

However, the study points out, the mobs of buyers at hosiery counters immediately after restrictions were clamped down on Japanese silk may well be a sample of what will happen in other lines as consumers become convinced that the supply will be cut off.

ing alley and seven offices upstairs. Loss on the building alone amounted to \$55,000 out of a total of \$165,000 carried in seven stock carriers. The rest was borne out in contents losses, the largest in the bowling alley and in an A. & P. grocery store.

The brick building was supposedly fireproof and it appeared for awhile that the fire-resistant walls in the shoe shop in which it originated would confine it there. The flames ate through the ceiling, however, and rapidly spread through the building. An iron basement door hampered efforts to extinguish it in the early stages.

The blaze required 250 firemen and 55 pieces of equipment to extinguish it. Injuries amounted to 15, most of them from an explosion in the store of origin.

## ACCIDENT AND HEALTH

### Mass. Department Puts "Blue Cross" on Sound Basis

BOSTON—The Massachusetts Hospital Service, better known as the Blue Cross, after some heavy losses, experiences with the legislature, and careful overhauling by the insurance department, now seems to have been put on a sound underwriting basis with adequate rates.

When the plan was launched in 1937, its willingness to accept any and all risks at rates which the old line companies considered fatal caused natural suspicion on the part of the insurance men. The rush of prospective mothers, and those anticipating serious operations, attracted by the unlimited provisions and low rates, produced a large membership in short order. The result was inevitable.

The insurance department stepped in in March, 1939, and found the plan impaired to the extent of \$32,000. The department made an analysis of the service plan, recommended waiting periods for maternity cases and operations, revised the rates and made other suggestions which were accepted. The plan cut payments under its contracts with the hospitals by 30 percent.

Today the plan has paid back its hospital deductions, there is a waiting period in operation cases, rates have been adjusted and individual risks are no longer accepted. It has gone on a group system and accepts nothing smaller than five risks under a single employer, with 75 percent of all groups up to 100 and 50 percent on those over 100, as a prerequisite for coverage. Its experience shows the necessity for adequate supervision of such plans.

Its 1940 premium income was \$1,876,020; total disbursements \$1,539,565; claims paid \$1,310,921; total admitted assets \$901,362; and surplus \$438,679.

### Open Fourth Chicago Branch

The White-Vision Agency has been opened at 1 North Crawford avenue, Chicago, as a branch office of Redfield Associates of that city. C. T. Redfield is manager of Mutual Benefit Health & Accident and United Benefit Life. This is the fourth branch to be opened.

The managers are George Vission and F. M. White. Mr. Vission for about ten years was district representative of Metropolitan Life in the area where the new branch is located. Mr. White formerly was head of the hospitalization division in the New York city area and for 1½ years has been in charge of the same department at Chicago.

### All Benefit Outfits Must File

SAN FRANCISCO—Commissioner Caminetti of California has advised all organizations paying benefits or rendering services contingent upon illness, death or accident that they must file applications for permits to continue to operate after Sept. 13.

A new law places all non-profit and charitable organizations under the jurisdiction of the insurance department.

### Hold Pittsburgh Party Aug. 25

The Pittsburgh Accident & Health Insurance Association will hold its annual golf and card party Aug. 25 at Shannopin Country Club with a dinner in the evening at which W. B. Cornett, Loyal Protective Life, Columbus, past president National association, is expected to be the speaker.

### ATTORNEY

In practice of law for past ten years. Fully experienced in mortgages, financing, reorganization and management of real estate. Can qualify as executive, general counsel or manager. Will travel or make residence in another state if necessary. H. R. Smith, room 1110, 10 S. LaSalle Street, Chicago, Ill. Telephone Franklin 5970.

### Provident L. & A. Adds Reimbursement for Women

The Provident Life & Accident is now writing medical reimbursement as well as monthly indemnity in connection with its "premier" accident policy for women, covering both business and professional women and housewives.

In the case of housewives, the monthly indemnity heretofore provided usually was not more than sufficient to pay doctors and hospital bills. Under the new arrangement, the monthly indemnity can be used to employ someone to do the housework, while the housewife is disabled, with the reimbursement feature taking care of the medical bills.

The policy for business and professional women is on a non-classified basis and may be written up to \$5,000 principal sum and \$100 monthly. The annual premium for those amounts, ages 16-54, is \$23.50 without reimbursement and \$34.25 with \$500 reimbursement. For housewives and unemployed women, the limits are \$2,500 principal sum and \$50 monthly. The annual premiums for these amounts at the same ages are \$13.75 without and \$24.50 with \$500 reimbursement.

### Oppose Government Health Cover

SAN FRANCISCO—The Commonwealth Club of California has voted against a system of compulsory health insurance under the auspices of state or federal government. The subject has been under discussion by the public health section of the club for several months and a mail vote was taken, standing 871 to 491 against the idea.

### N. Y. Club Outing Sept. 20

NEW YORK—The Accident & Health Club of New York will hold its annual outing Sept. 20 at Karatsony's, Glenwood Landing, L. I. William F. Casey, club vice-president, is in charge of arrangements. Robert Pope, president, will hold a meeting this week to complete final arrangements.

### Philadelphia Meeting Sept. 4

The Philadelphia Accident & Health Association will hold its first fall meeting Sept. 4. V. L. Elliott, controller of Atlantic Refining Company and president Controllers Institute of America, will speak on "Controllorship—Its Function and Duties."

### Zeus Is San Francisco Speaker

Otto L. Zeus, assistant manager of Travelers in San Francisco, will speak on social security at the first fall meeting of the Accident & Health Managers Club of San Francisco, Sept. 3.

### Whitney Chicago Secretary

Reed Whitney, Continental Casualty, has been named by the directors of the Chicago Accident & Health Association as acting secretary, following the resignation of John Kennedy, Commercial Casualty, who was elected secretary at the annual meeting of the association.

### Dr. Bennett with City National

Dr. W. W. Bennett of Dallas, school man and insurance organizer, has been

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in large private office of a well known insurance agency in desirable location in the Insurance Exchange building, Chicago. This office is especially suitable for lawyer or adjuster at an attractive rental. Address N-95, The National Underwriter, 175 West Jackson Blvd., Chicago, Ill.

### WANTED ADJUSTER

Young attorney for automobile investigations and adjustments in Chicago office claim department. Preferably one with some experience. State qualifications fully and salary to start. Address N-96, The National Underwriter, 175 W. Jackson Blvd., Chicago, Ill.

selected to head the accident and health department of City National Life of Dallas.

## COMPENSATION

### Cost-Plus Plan Approved for Compensation in Minn.

ST. PAUL—Following its hearing on the subject, the Minnesota compensation insurance board approved in its entirety, so far as it applies to compensation insurance, the cost-plus-fixed-fee plan of the war department with these exceptions:

That the experience developed under the plan be reported separately under the unit statistical plan of reporting experience and that said experience be excluded from the experience used to determine rate level, manual rates and employers experience rating.

### Special Requirements Made

That there be added to the losses incurred, as defined under the plan, all payments required by Sec. 4276, Mason's Minnesota statutes for 1927, to be made by an employer or an insurance carrier to the special compensation fund referred to in that section.

That no action is taken by the board in regard to that portion of the plan having to do with the selection of an insurance adviser. The board held that any such action would be beyond its authority or jurisdiction.

The board also approved the rules of the National Council on Compensation Insurance for allocation of premium to line of insurance and to state, for risks written under the comprehensive rating plan.

### Defense Construction Work Hikes Compensation Claims

LITTLE ROCK, ARK. — Based on accident frequency in January when Camp Robinson, one of the War Department's largest cantonments, was under construction, defense construction will increase the number of accidents reported to the state compensation commission.

Of the 447 compensable cases reported in January, 336 originated at Camp Robinson. As several large projects are about ready to start in Arkansas, the compensation commission anticipates a larger number of accident reports.

### Present Record Not Normal

When the workmen's compensation act was put into effect Dec. 5, 1940, the Louisiana schedules with some variations were made the basis of Arkansas rates. It was agreed that after 18 months the whole subject would be examined to determine if adjustments should be made. Because of the national defense factor, the present record ap-

parently will not approximate normal conditions.

### Commissioners Meet Sept. 8-11

The annual meeting of industrial commissioners and their assistants from each of the states and the Canadian provinces will be held at Winnipeg, Man., Sept. 8-11.

## SURETY

### Car Dealers Bonds Still Hold

ST. PAUL—Although a Minnesota law relating to the sale of used cars has been declared unconstitutional by the state supreme court, this decision will have no effect on the liability of sureties on bonds filed by used car dealers under it, Attorney-general Burnquist has advised the secretary of state.

The law required a non-resident used car dealer to give a surety bond to the state "for the use and benefit of the purchaser and his vendees, conditioned to pay all loss, damages and expenses that may be occasioned by reason of any fraudulent misrepresentation or breaches, etc."

"The relationship between a used car dealer and his surety on such a bond is purely contractual and the bond might be valid even though there were no statute authorizing or requiring it," Mr. Burnquist said.

### Oppose Mutual Privilege

Liberty Mutual and American Mutual Liability have made application to the New York insurance department for permission to write credit union blanket bond standard form 23 in New York state. Opposition to the application has been entered by the Surety Association of America. M. O. Garner, counsel for the Surety Association, has filed a brief in the matter. The brief contends that nowhere in the statute is authority granted to mutual companies to issue to such institutions as credit unions the kinds of coverage included in standard form 23.

### South Carolina Figures

Total casualty and surety premiums in South Carolina last year were \$6,412,075, an increase of \$651,571. The stock companies showed \$4,701,974, an increase of \$475,757. The mutuals had \$1,710,101, increase \$215,814. The total losses were \$2,791,998, increase \$337,660. Stock company losses amounted to \$1,984,613, an increase of \$296,325 while mutual losses were \$807,385, up \$41,335. Workmen's compensation accounted for \$196,520 of the mutuals increase.

Direct Reading Rate Finder & Calculator for calculating earned and return insurance premiums \$2. Order from National Underwriter.

## WANTED HOME OFFICE AGENCY MANAGER

Age 35 to 45, of the executive type by a middle western automobile insurance company.

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## CHANGES IN CASUALTY FIELD

### Standard Accident Names Two New Special Agents

Earl R. Sturges has been appointed special agent at Buffalo for Standard Accident. Mr. Sturges was formerly in the company's Rochester, N. Y., claim office and has recently completed a special agent training course in the home office.

H. J. Stuhlmiller has been appointed special agent at Philadelphia. He will serve Easton, Bethlehem, Reading, Allentown, Harrisburg, York, Lancaster and surrounding territory. He was 11 years with a prominent Buffalo legal firm. In 1935 he joined the Buffalo staff of Standard Accident and after about a year and a half was transferred to the Bridgeport, Conn., office for four years.

### Goes to Travelers Head Office

HARTFORD — Dr. Lyle G. Ellis, who has been industrial surgery supervisor in the Brooklyn and Long Island area for the Travelers, is being transferred to the home office with the title of surgical director, to succeed the late Dr. J. C. Graves, Jr.

Born in Grover, N. C., and educated in North Carolina schools, in Wake Forest College and at Jefferson Medical College at Philadelphia, Dr. Ellis served at Muhlenberg Hospital in Plainfield, N. J., and James Walker Memorial Hospital in Wilmington, N. C. He also did post-graduate work in neuropsychiatry at St. Elizabeth's Hospital, Washington, D. C.

Dr. Ellis entered the service of the Travelers in 1925 in Pittsburgh as supervisor of industrial surgery in connection with workmen's compensation business in that area.

### Kos Koba Leaves James & Co. to Go with E. H. Walters

Edward C. Kos Koba, assistant casualty manager of Fred S. James & Co. in Chicago, in charge of the automobile department, has resigned and is going with E. H. Walters & Co. there in charge of the automobile department. He has been in insurance work in Chicago for five years, principally with Johnson & Higgins. Previously he was connected with Chicago Title & Trust Company. Mr. Kos Koba is an attorney with an LL.B. from Chicago Kent College of Law, and is a member of the Illinois and Chicago bar associations.

### Aetna Casualty Cleveland Shifts

CLEVELAND, O. — D. W. Keenan, former Aetna Casualty agency supervisor in Philadelphia, has been named supervisor of agents in metropolitan Cleveland. A. W. Bates, former special agent in Cleveland office and previously in Providence, has been made supervisor of agents for the area outside of Cleveland, reporting through the Cleveland office. J. F. Lawton, for three years in the Cleveland office and previously in Chicago, has been named superintendent of the Aetna plan department in Cleveland.

### Cunningham to Zurich Head Office

Creighton P. Cunningham, underwriter at the Pittsburgh office of the Zurich, has been promoted to supervising underwriter for all lines in the U. S. head office in Chicago, effective Sept. 1.

He will be succeeded in Pittsburgh by Hugh M. Wilson, who has been four years with Zurich there and before that was with Travelers for 13 years.

traffic problems which have been augmented rapidly in recent months, due to the influx of aircraft workers in the four plants engaged in defense production. Maxwell Halsey, associate director of the Bureau of Street Traffic Research, Yale University, has been named traffic engineer. Several insurance men have been appointed on the commission, including Byron S. Chapell, New York, and L. B. Brown.

accident ring. The indictment followed investigation by U. S. postal inspectors. Ringleaders of the gang were found guilty and are now serving sentences.

Some of the companies introduced records and testimony in the accident ring case. Stoner's license was revoked by the Iowa department several years ago.

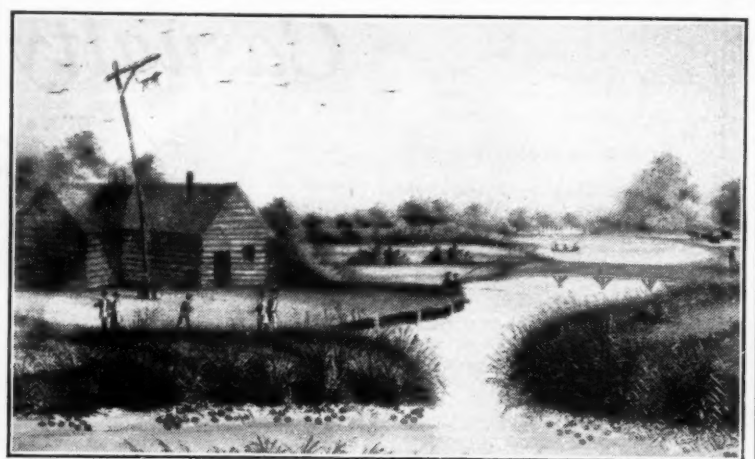
Companies have until Sept. 2 to file answer to Stoner's suit.

### Ex-Agent Sues 41 Companies

J. H. Stoner, formerly an agent at Logan, Ia., has sued 41 insurance companies in circuit court there for \$49,500 damages, charging wrongful and malicious prosecution. Mr. Stoner's petition sets out that a charge against him of using the mails to defraud was dismissed in federal court at Omaha on Aug. 8, 1941. He was indicted in July, 1939, at Omaha along with 52 other defendants on a charge of participating in a fake

### Merry Marylanders' Outing

The "Merry Marylanders," a social organization of employees of the Chicago branch of Maryland Casualty, held their annual outing at the Crystal Lake Country Club, where they enjoyed a strenuous day of horseback riding, swimming and golfing. Following the outing, the club elected officers: C. E. Chapman, president; James Freely, vice-president; R. H. Schroeder, treasurer; Arlene Bishop, secretary.



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## CASUALTY PERSONALS

Ernest C. Burghardt, examining adjuster for compensation and plate glass insurance in the liability claim department of Standard Accident was honored on his 40th anniversary with the company. Along with a floral tribute from executives, Mr. Burghardt was presented with a wrist watch by department employes bearing a special inscription.

W. C. Newman, veteran of 20 years in the claims department of Employers Liability in San Francisco, and prior to that for many years with the old Pacific Surety, has retired on the company's pension plan. At a dinner attended by E. C. Stone, United States manager, he was presented a modern radio set by his fellow workers. Mr. Stone praised his loyalty and efficiency. Harrison Smith, who has been with the company five years, succeeds Mr. Newman.

Frank A. Bach, who recently was elected president of Fidelity & Deposit, joined the exclusive fraternity of those who have made a hole-in-one when he accomplished the feat recently on the 13th green at Poland Spring Hotel golf course in Maine. Frank Christensen, vice-president of Fidelity & Casualty, was in the foursome. The distance was 176 yards.

W. B. Homan, casualty and liability underwriter of Aetna Casualty in Kansas City, was married to Miss Shirley Todd of Kansas City.

Joseph B. Roberts, who was formerly manager at Milwaukee for Travelers, and who has been active as an insurance counselor through the east and middle west, died at Grace Hospital, in Detroit following a short illness.

Capt. P. F. Lee, Jr., one of the 22 killed when an airliner crashed in taking off from Great Britain for the United States, was a son of Philip F. Lee, vice-

president of United States Fidelity & Guaranty. Captain Lee joined the Canadian Air Corps last year and had been engaged in ferrying bombers to Britain from Canada. Before going to Canada, he was with U. S. F. & G.

He had been supervisor for the U. S. F. & G. at Dayton, O., Louisville and Cincinnati. He was a flying enthusiast and flew his own plane in his insurance work. He was secretary of the Dayton Flying Club.

V. W. Burke, Portland, Ore., general agent of California-Western States Life for several years and president of the Portland Accident & Health Association last year, died very suddenly. While helping a neighbor push his car he slipped and fell, hitting his head on a rock. He died almost instantly.

L. M. Watson, 59, secretary-treasurer in Canada of United States Fidelity & Guaranty for 10 years, died in a hospital in Toronto. He started with the company 35 years ago as an accountant.

W. H. Turner, 75, of Turner & Nichols, Kansas City general agents, Fidelity & Casualty, died there. Mr. Turner and A. P. Nichols were respectively special agent and assistant general agent of Fidelity & Casualty for 10 years, from 1893, then organized their agency, representing Travelers. In 1923 they sold it to Travelers, which set up a branch office, and they became general agents of Fidelity & Casualty, representing other companies for life and fire.

John Agar, 60, with Travelers in Little Rock for many years, who retired about a year ago because of ill health, died there.

### Traffic Commission in Wichita

WICHITA, KAN. — A traffic commission of 21 members is being established in Wichita, to be responsible for

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DECEMBER 31st, 1940

CAPITAL	\$2,000,000.00
Surplus	4,926,437.24
Voluntary Contingency Reserve	500,000.00
Reserve for Losses	4,594,168.33
All Other Liabilities	2,999,879.26
<b>TOTAL ADMITTED ASSETS</b>	<b>15,020,484.83</b>

NOTE: Securities carried at \$355,312.50 in the above statement are deposited as required by law.

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## NEWS OF THE CASUALTY COMPANIES

### Hartford A. & I. Premiums Up 6.7%

Hartford Accident's premiums during the first half of 1940 amounted to \$22,614,836. This was a gain of \$1,400,000 compared with the parallel period last year or an increase of 6.7 percent. Total income for the first six months was \$23,597,065 as compared with \$22,075,168. The excess of income over disbursements was \$5,256,505 against \$4,719,602 last year. Assets increased by \$7,068,988 and at June 30 amounted to \$91,523,308.

### Examination Report on New Century Casualty

The Illinois department has made a convention examination report of the New Century Casualty of Chicago as of Dec. 31. Its assets are \$565,847, capital \$200,000, claim reserve \$86,030, premium reserve \$87,123 and net surplus \$86,783. West Virginia participated in the examination. Its charge for the examination was \$1,047, the per diem charge for examiner being \$25 per day. The Illinois cost was \$1,222, the per diem total cost being \$15. West Virginia in addition charged \$250.50 for hotel expense at \$7.50 per day.

Cash in banks represents 38.99 percent of the assets. Effective Oct. 1, 1940, it reinsured 80 percent of its unearned premiums. The reinsurer assumed 80 percent of all losses incurred on and after that date. Albert Kahn is president and general manager, he and H. A. Salomon, secretary, being the chief administrative officers. The company is authorized to write plate glass in all states in which it transacts business and it is also authorized to write automobile in addition in Illinois, Indiana, Ohio, West Virginia, Pennsylvania, Tennessee, Minnesota, California, Texas, Missouri, Michigan and Wisconsin.

Plate glass coverage is written under two forms, full coverage and 50-50 retention. Its automobile policy is the national standard form and embraces the usual standard provisions. It is writing a 40-30-30 premium plan under which 40 percent of the annual premium is collected to carry the first three months. The expiration date is every three months. The coverage may then be extended under the terms of an installment additional endorsement for additional period as specified, viz., 30 percent of the annual premium for the second installment and 30 percent the premium for the last six months.

Net premiums last year were \$172,806, auto liability being \$64,797, plate glass \$81,619, auto property damage \$23,439 and collision \$2,951. Total income was \$326,793. The losses were \$212,757 being \$86,043 auto liability \$99,451 plate glass \$23,518 auto property damage and \$3,745 collision.

Its earned premiums in 1940 were \$337,068, the net premium being cut down by reinsurance.

The company has always been managed and operated by practical insurance men. It has maintained a good reputation and is popular with its agents.

### Bituminous Casualty Report Good

Bituminous Casualty showed an increase of \$386,712 in assets during the first six months, making the total on June 30 \$8,014,052. Unearned premium reserves were up \$122,566 to \$1,977,193. Claim reserves were \$3,797,659, increase \$168,425.

### Hardware Indemnity in Okla.

The Hardware Indemnity of Minneapolis has been licensed in Oklahoma with Mace M. Richardson of Ardmore as manager.

### General Accident Volume Up 8.04% for First Half

General Accident had \$10,623,236 net premiums the first six months, compared with \$9,800,131 in the like period of 1940, an increase of 8.04 percent. Unearned premium reserve was \$9,089,705, compared with \$8,436,634 as of Dec. 31, increase \$653,071. Loss reserves were \$12,821,709, compared with \$12,456,558 at the end of 1940, increase \$365,151.

Assets were \$41,758,401 on June 30, compared with \$40,621,569 on Dec. 31, up \$1,336,832. Surplus to policyholders was \$13,404,779, compared with \$13,314,175 on Dec. 31, increase \$90,604. Voluntary reserve was increased \$1,000,000 this year.

Total income was \$11,259,632, compared with \$10,405,626 the first six months last year. Losses, including adjustment expense, totaled \$4,897,755, against \$4,815,019.

The Aetna Casualty & Surety for the first six months shows an increase of \$3,117,049 in voluntary reserve and \$8,235,714 in assets.

Protective Indemnity and Farm Bureau Mutual Auto, Columbus, O., have entered New Hampshire.

### Salvage Recovery May Be High in 'Panuco' Loss

(CONTINUED FROM PAGE 9)

the government had already taken title.

The large percentage of the insurance loss caused through the \$1,500,000 fire will fall upon the marine companies, that suffered by fire offices, it is now estimated, will not likely exceed \$200,000, and will be for damage to Piers 26 and 27, principally the latter.

An underwriting rule requires that all pier losses in this city must be adjusted under supervision of the loss committee of the New York Board. While there is no clear evidence of sabotage in connection with the fire, police are investigating the discovery of three suspected bombs, found in the hold of the Panuco. It is also noted that while a number of explosions occurred during the progress of the fire, sisal stored upon the dock which blazed first, has no explosive qualities.

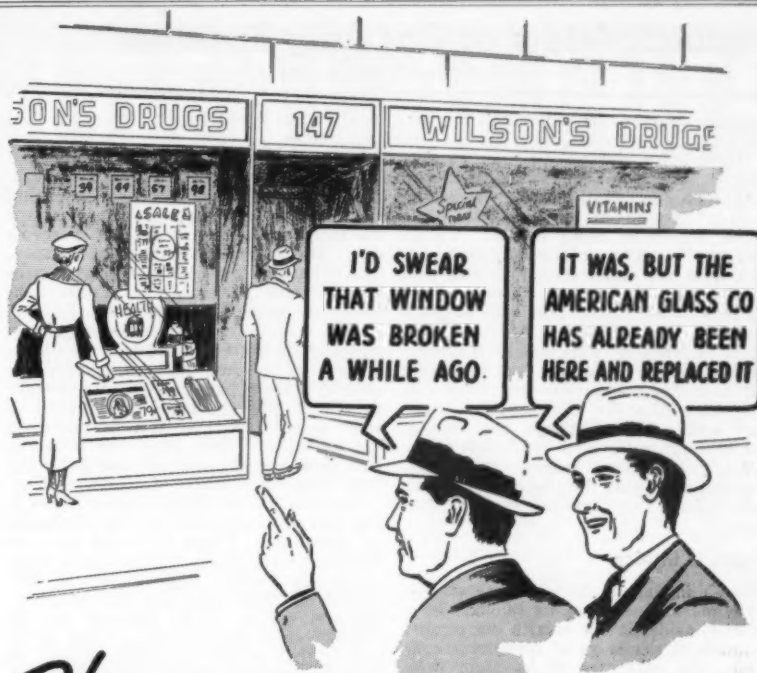
### Launch Cavalier of Baltimore

BALTIMORE—As a running mate to the Calvert Fire of Philadelphia, the Commercial Credit Company has organized the Cavalier Insurance Corporation of this city, which will be licensed by the Maryland department shortly. It will start with \$250,000 capital and a like surplus and will be used mainly for insuring business financed by Commercial Credit. American Credit Indemnity is also owned by C. C. C.

### Foreign Report Blank Issued

NEW YORK—Insurance companies and business houses generally have now received copies of the blanks on which they are to report to the Federal Reserve Bank, not later than Sept. 30, any interest they may have in foreign-owned property in this country. The insurance offices will use Form H, on which they will report policies, pensions and annuities issued and claims arising thereunder with respect to foreign owners.

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## Realistic View of Casualty Business

(CONTINUED FROM PAGE 13)

tinue to possess the capacity to work, character, knowledge and skill. There is nothing for the young man to fear who is not afraid of hard work and hard thinking. A young man is defined by Mr. Cornelius as anyone under 50.

The important thing is that "we do have the capacity to survive and produce, that we understand the laws that govern life, and that we possess those qualities of character that will shape a future for ourselves."

Mr. Cornelius anticipates tremendously difficult problems for insurance and insurance companies—but none that companies like the Continental cannot meet and solve. Perhaps the companies will again have to use "trick statements," arbitrary values, moratoria, coupons, etc. But they have had to use them before, and they can survive them again.

### Wealth is in Men

One thing about the Continental, Mr. Cornelius said, is that its officials have never considered its wealth to consist so much of assets as of tradition, reputation, the character of its men, their capacity for work, and their skill. The job is to cherish these things and add to them. Optimism is justified if it is based on recognition and appreciation of the dangers inherent in the present situation plus complete preparation to meet those dangers.

In the first six months of 1941 Continental showed the largest premium increase for casualty lines except fidelity, surety and accident and health of any similar period in its history, Mr. Hofmeister said. Automobile public liability and property damage showed the biggest gains. There is no problem with volume, but underwriting results present a different picture, Mr. Hofmeister said.

Three measures are available for correcting the factors that are making auto PL and PD unprofitable, he said. These are higher rates, good underwriting, and good, efficient claim work.

### More Rate Increases

This is a highly competitive business, and companies have meager control over rates. However, Continental has raised rates a small percentage in several states, and may increase them in a few more. After that the company will not be able to do anything further along this line as an individual unit. These increases are not adequate, but they are a step in the right direction, Mr. Hofmeister believes.

Over underwriting the company does have control, and is doing several things to alleviate the loss situation. For instance, it is requiring an application blank on automobile PL and PD so that it will have a better knowledge of the risk. The underwriting department is pulling all of the dailies before expiration and re-underwriting the risk. Where it feels the necessity of so doing, it is advising agents of policies that should be cancelled.

The company has set up a procedure for checking accident frequency. Whenever assured shows as many as two accidents, the company asks the agent to go over the matter with assured.

The underwriting department is reviewing loss experience by territories and agencies and may possibly lay down a maximum for the percentage of auto business to total business the company will accept from agencies, as it once did in connection with workmen's compensation.

These changes have been made largely in connection with passenger car business. On fleet business one of the new problems created by defense is that old, experienced drivers trained in safety are leaving and going into defense work. This is particularly true in long haul business.

The third method of holding down

losses is, of course, up to the claim men themselves.

In 1939 workmen's compensation, automobile, burglary and miscellaneous liability lines showed good underwriting results for the company, with burglary the largest producer of profit in percentage. In 1940 workmen's compensation, miscellaneous and burglary lines produced good underwriting results, but profit on automobile was small. In 1941 the loss factor has risen sharply, particularly on auto PL and PD.

Heretofore when companies were unable to make a profit on private passenger car liability business they turned to some other profitable line to make up the difference; fleet lines, for instance. But now competition in that field has done away with much of its desirability.

Reasons for declining auto underwriting margin, according to Mr. Hofmeister, are many. Those who own cars are driving more, those without cars have purchased them. Registration in Illinois is up 20 percent, and this is probably pretty close to an average for the country as a whole. One acute problem is that of the youthful driver. It used to be that when he got out of school he became a clerk or took some other position that paid low wages. Now he goes into defense work at \$25 and \$30 a week, has bought a car, and is driving.

All these factors have brought the automobile situation to a head about a year sooner than was anticipated.

### Only One Complaint

The company's relations with the public depend on the way in which claim men pay claims, Mr. Behrens said. The way they do it costs the company nothing except some careful thought. In the 29 years he has been associated with Continental Casualty Mr. Behrens has had but one complaint based on lack of courtesy and consideration in the handling of a claim.

The situation confronting casualty companies will last for several years, said Mr. Caples, and as long as it is there companies are going to have to minimize losses as much as possible. The country is running into war hysteria and that affects the insurance business. Mr. Caples pointed out that insurance is a depression, not a prosperity business. With prosperity companies always get an increased exposure.

W. C. Swisher, assistant general attorney, outlined qualifications of claim men. He said the claim men must have

certain inherent abilities and these must be developed by experience. One of these qualities is the sort of honesty that inspires and holds confidence. The claim man must be a judge of character and personality, he must be a good salesman because he has a job of selling—to the company, agent, assured and then again to the company on the wisdom of his settlement. Mr. Swisher notes a trend toward claim men with legal training, and believes that this trend will grow as time goes on.

Mr. Swisher pointed out that Continental Casualty does not want to "hold down" claims, but that what it wants is facts. The company has all the money in the world to pay what it owes.

Several claim men were called on by Mr. Caples to make brief remarks. They were J. B. Patterson, Wichita; John E. Cassidy, former attorney-general of Illinois; Joseph F. Hanley, former assistant prosecutor in Brooklyn, and H. W. Pottle, Buffalo.

Divisional meetings of home office executives with claim men were held the afternoon of the first day.

Various legal aspects of claim work were discussed on the second day. Among those taking part were M. S. McCorquada, Houston; Frank B. Baylor, Lincoln, Neb.; J. R. Dickie, Pittsburgh, and A. B. Peterson, Boston.

## Fee for Weekly Auto Premiums

(CONTINUED FROM PAGE 13)

would not be true of the other two suggested methods.

Unless something is done to take care of the extra expense involved it is feared that a bad competitive situation may result as soon as monthly and weekly premium payment plans become more prevalent. The temptation will be for a motorist who has fallen behind in his premiums to feel that he is paying for a dead horse if he pays up his arrears. The natural thing for him to do will be to go to some other agency and start afresh. In the meantime he will have had several weeks or perhaps more coverage for which no premium was paid.

In addition to the short rate problem there is the fact that the New York state banking law does not permit a charge of more than 6 percent on the decreasing balance and this is hardly enough to cover the extra expense of handling an agency's business if any great part of it is on the weekly basis. The department is aware of the danger of agents trying to furnish this extra service without ade-

quate compensation and perhaps thereby endangering their solvency.

### Aetna Casualty's School Large

Aetna Casualty started its largest school in three years on Aug. 18, when 52 men appeared in Hartford to begin the six weeks of study and discussion. This is one of the largest schools since the company began them in 1933. Postponement of attendance by some was required in order to keep the number down so that each agent attending might receive more individual attention.

J. S. Kemper, president of the Lumbermen's Mutual Casualty of Chicago, who was scheduled to address the International Association of Insurance Counsel at White Sulphur Springs, Sept. 3-5, has had to cancel the engagement.

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# POINTERS FOR LOCAL AGENTS

## Check Points for Agents on Adjusting Losses

PORTLAND, ORE.—The need for agents to check with assured both before and after losses occur was outlined in a special panel discussion at the Oregon Association of Insurance Agents meeting here conducted by John T. Breckon, Business Development Office, San Francisco. Participating in the discussion were Keith Rhodes, state agent Home of New York; Frank Wright, Portland manager Fire Companies Adjustment Bureau; Miller S. Farrell, special agent Pacific National Fire; Owen Bean, Albany, Ore., agent, and Chester Noonan, Astoria agent.

It is important that the agent discuss with the assured the probability of a loss during the policy term so he will be familiar with his responsibilities should a loss occur, it was pointed out. In this way the assured will also understand the obligations of the company and the procedure of adjusting the loss. This should be done before the policy is delivered. With the policy correctly written, and the assured thoroughly familiar with his obligations under the contract and properly fulfilled during the policy term, the loss is practically adjusted before it occurs, and there will be no complications or so-called technicalities at the time of the loss to cause any delay in the adjustment.

### Majority Fair-Minded

Thousands of claims are adjusted every year and it is to be expected that troubles will be encountered and there will also be impossible claimants who are deliberately impossible for the purpose of collecting more money. Fortunately, these are in the minority. The majority of assured are fair minded, and with the cooperation of the agent, the company and the assured an adjustment of a loss, in the majority of cases, can be concluded in a satisfactory manner to all concerned. The ultimate aim, after all, is a fair and just settlement of the loss.

Questions for an agent to ask himself in adjusting losses before they occur were outlined with comments by various panel members.

When you discuss with the assured his responsibilities in case of a loss, do you point out that the contract provides the assured shall give notice of the loss, that immediate notice in writing is required.

### Check Protective Measures

Do you stress the fact the contract requires the assured to protect the property from further damage. Protective measures are usually carried out by the assured but some times it is necessary for the agent or adjuster to take over this work, but care must be exercised to avoid abandonment of the property by the assured.

Do you explain to the assured he is not entitled to collect for further damage? It is some times difficult for the adjuster to exclude such damage; he is, however expected to enforce the policy provisions.

### Duty to Separate Goods

Do you explain that it is the assured's duty to separate the damaged from the undamaged goods? That it is necessary to proceed as soon as possible? It is not necessary to wait for the adjuster before doing this? That it is necessary to put the goods in the best possible order?

Some assureds expect to receive a larger settlement if this is not done because disorder will present the worst possible appearance.

Do you point out to assured that courts have upheld the policy requirement that damaged goods be separated from undamaged goods? That the company is not liable for loss caused by neglect?

### Check on Inventory

Do you impress upon the assured the importance of having a complete and up-to-date inventory? That this record should be filed where it will not be destroyed? That an inventory must be prepared before the adjustment of a loss can be completed? Do you point out the impossibility of preparing an accurate inventory after the loss? That an inventory prepared before the loss will permit the adjustment to proceed without delay? That it is just as necessary to have an inventory of personal effects as it is for stock or equipment?

### Proof of Loss

Do you explain to the assured the insurance contract requires him to file a proof of loss within 60 days after the fire (usually prepared by the adjuster) setting out the following: The time and origin of the fire; the interest of the assured and all others in the property; the cash value of each item thereof, and the amount of loss or damage thereto; all encumbrances thereon; all other contracts of insurance whether valid or not, covering any of said property; any changes in the title, use, occupation, location, possession or exposures of said property since the issuing of the policy; by whom, and for what purpose any building described, and the several parts thereof, were occupied at the time of the fire.

### Notification of Changes

Do you impress upon the assured the importance of notifying you of any changes during the policy term so as to eliminate any complications in case of loss, such as:

If there is a change in ownership or title; if foreclosure proceedings are commenced during the policy term; if assignment has been made of the policy; if property has been encumbered by a mortgage or chattel mortgage; if personal property has been moved to a different location, if the hazard has been increased within the control or knowledge of the assured; if the property is to become vacant or unoccupied during the policy term.

### Check Values Carefully

Do you impress the assured with the importance of carefully checking values? The importance of having an appraisal made to determine the building value? Periodical revaluation is especially desirable during this period of rising costs. The importance of having an inventory made of equipment and stock? Periodical checking of these values is essential.

Do you explain the form you will attach to the policy so the assured will thoroughly understand the provisions?

Do you make certain the covering clause is correctly worded?

Do you explain the exclusions clause so the assured knows what is not covered?

Do you explain the permits and privileges clause?

Do you find out who owns the im-

provements and betterments and write the covering clause accordingly?

Are you careful about obtaining the correct description and location of the property?

Do you explain to the assured the operation and requirements of various clauses and warranties that are attached to the policy, such as: Average clause, distribution clause, inventory and iron safe warranty, three-fourths value clause, loss payable clause, mortgage clause, farm application, and extended coverage endorsement.

### After Loss Occurs

Questions raised in regard to adjusting losses after they occur were:

After a loss occurs, isn't it reasonable to expect the average assured will consider it as being the most important loss to adjust? Because to him the loss is a personal disaster and his natural reaction is that the adjustment should take precedent over every other order of business? This is the time when the co-operation of the agent, assured, adjuster and company make it possible to proceed without delay in the adjustment of the loss in a satisfactory manner.

How do you report a loss to the company when a loss is reported by one of your assureds?

### Notifying Company of Loss

Do you send a telegram for all losses? Do you make certain that all of the necessary information is submitted in the telegram, such as estimated amount of loss, names of all companies, etc.? Do you send confirmation letter with complete details?

Do you advise the company by telephone? Do you write a letter confirming telephone conversation?

Do you notify the company by letter? If you send air mail letter, do you send copy by regular mail?

Do you send a notice of loss on a company or standard form? Is this form completely filled out or only partially completed?

### What Kind of Record?

When a loss is reported to your office, what kind of record do you keep for your files? Merely a memorandum? Copy of telegram? Copy of letter? Copy of company or standard loss report? Special loss report of your own? Isn't it important that a record be kept of all losses reported and in process of adjustment? Loss form while being completed and when completed can be kept in a suspense folder or alphabetical file where it can be regularly reviewed, preferably every week, until the loss is closed. The agent is then in the position of being in close contact with the adjustment proceedings. Any question regarding the adjustment can be taken up with the adjuster, and not the company.

### Contact Assured Immediately

When the loss is reported do you immediately contact the assured and point out his responsibilities under the insurance contract?

Do you assist him in having the property protected from further damage?

Do you see that the damaged property is separated from the undamaged property?

Do you see that an inventory is prepared?

Do you see that records are carefully preserved?

Do you gather and note all facts as to the cause, origin and appearance of the fire?

Do you obtain names of witnesses?

Are you careful not to commit the company to any line of action?

Do you refrain from accepting abandonment under any circumstances?

Are you careful not to enter into appraisal agreements?

Do you refrain from having estimates or schedules prepared prior to the arrival of the adjuster?

The agent is the first contact for the adjuster when he arrives to adjust the loss, and do you assist him to obtain any necessary additional, preliminary information? Do you provide him with information from your files and the benefit of your observations previous to his arrival?

Do you accompany him to the loss, introduce him to the assured and stay long enough to be certain the adjustment will proceed satisfactorily?

Do you confer with the adjuster after his conference with the assured? Do you find out if the adjustment has been satisfactorily completed? Do you find out if there were any unknown complications that might delay the adjustment, due to an arbitrary attitude taken by the assured, lack of complete information such as inventory, original costs, etc., or due to change of conditions during the policy term which required notification to the company?

### Explain Delay to Assured

If there will be a delay in adjusting the loss, do you immediately contact the assured by telephone, or do you make a call personally?

Do you assist the assured in obtaining the necessary information in order to complete the adjustment?

Do you render every assistance for temporary rehabilitation?

Do you provide insurance protection if necessary during the period of delay and arrange for insurance after the loss has been adjusted and business has been resumed?

The adjustment of losses without any complications arising is important from the view point of public relations with the insurance buyer. These complications can be eliminated if the policy is correctly written; the assured understands his obligations under the insurance contract; fulfills those obligations; complies with the requirements of the contract should a loss occur, and the agent recognizes the commission he has received as being a retainer for continuing services during the policy term, and is not fully earned until the policy expires, it was pointed out.

**Question:** Please send me the list of companies comprising the factory mutual system. There have been some changes recently and I would like to have the corrected list.

**Answer:** Since the consolidation of the six companies comprising the Manufacturers Mutual group of Providence, R. I., into one single institution known as Manufacturers Mutual Fire, there are now 14 companies in the factory mutual system. There are still three groups of companies within the system. The Cotton & Woolen Manufacturers Mutual group of Boston consists of Cotton & Woolen Manufacturers Mutual, Rubber Manufacturers Mutual and Industrial Mutual. The Boston Manufacturers Mutual group consists of Boston Manufacturers Mutual Fire, Fall River Manufacturers Mutual and Worcester Manufacturers Mutual. The Protection Mutual group of Chicago consists of Protection Mutual Fire and Mill Owners Mutual Fire.

The individual companies that are not members of any group consist of Manufacturers Mutual Fire of Providence, Firemen's Mutual of Providence, Arkwright Mutual Fire of Boston, Blackstone Mutual Fire of Providence, What Cheer Mutual Fire of Providence, and Philadelphia Manufacturers Mutual Fire.

# ANSWERS

## Question as to Liability if Chauffeur Steals Car

Question: In a recent edition you have a very interesting series of questions and answers which are answered by "true or false." Question 10 reads, "Under a fire and theft policy, if a chauffeur takes a car without the insured's permission and it is never recovered, the insurance carrier is liable for the loss." You give the answer to this question as being "false."

Considering the date of your publication I believe that your answer is not correct. It is true that under former fire and theft policies the insurance carrier would not be liable for a car stolen by the chauffeur employed by the assured because the former automobile policy excluded, under the theft coverage, theft, robbery and pilferage by any person or persons in the assured's household or in the assured's service or employment, but under the new automobile policy, and please bear in mind that from the publication of the new automobile policy all policies in force are regarded by all companies as coming under the conditions of the new automobile policy, this particular theft exclusion has been eliminated and, therefore, in my opinion such a loss by theft, namely, by one in the employ of the assured would be covered by and paid for by the carrier company. Please advise me if I am in error.

Answer: We believe your criticism of the questions is entirely correct.

We do not recall the date on which these questions were asked, but we feel sure that the person who prepared them must have had the old automobile fire and theft policy in mind.

We agree with your statement that the taking of an automobile by a chauffeur without the assured's permission would be covered under the new form. Perhaps, if we wanted to be very technical about it, we ought to say that this loss would be covered if it constituted "theft" or "larceny" under the law of the state in which the incident occurred. There may be some states in which the statutes and court decisions are such that this would not be "larceny" but "embezzlement," "conversion," or some such crime, and then perhaps the loss would not be covered. However, we agree with you that in 99 cases out of 100, the company would have to pay a loss of this type under the new policy.

## Question in Policy Affecting Premium Charge

Question—Would you please advise me as to the legal decision, or if there have been any recent cases on record in New Jersey, of any insurance company denying liability when fire and theft coverage on an automobile fleet was promulgated on an outside rate, whereas the entire fleet was garaged in a covered enclosure.

Answer—We have checked several legal services and have not been able to discover any recent cases, in New Jersey or elsewhere, on the effect of automobile fleet coverage being written at a rate contemplating the cars being garaged outside, while in fact they were garaged in a covered enclosure.

We think much depends on how the policy itself is worded. If there is no representation or declaration to this effect, then we doubt if the company would have any chance, even though the rate quoted and charged was actually lower than that intended. On the other hand, if this statement is put into the policy as a representation, and if the company could establish that it would have accepted the line only at a higher rate or would have declined the line if it had known the facts, then the company would probably have a good

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chance to sustain a denial of liability. A representation under these circumstances is said to be "material to the risk" and falsity under these conditions is usually grounds for voiding a policy. We know of only one case specifically covering the question of misrepresentation of the garaging of an automobile. This is a South Carolina case, Lummus

vs. Fireman's Fund, 82 S.E. 688, in which the insurance company was upheld in its denial.

The state of New Jersey appears to follow the general rule that a statement in a policy which affects the premium charge is material and consequently will permit denial of liability if it is false. The leading New Jersey case, not an

automobile insurance case, is Duff vs. Prudential Insurance Company, 101 Atl. 371.

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# INSURANCE NEWS BY SECTIONS

## MIDDLE WESTERN STATES

### Iowa Agents' Card Is Completed

CEDAR RAPIDS, IA.—The annual meeting of the Iowa Association of Insurance Agents will open here Sept. 8 with a golf tournament in the afternoon followed by a stag party in the evening. The executive committee will confer in the afternoon.

President L. M. Jefferies, Clinton, will call the business session to order the morning of Sept. 9 and Leon Morse, Council Bluffs, vice-president, will respond to Mayor Hahn's welcome. C. P. Jervey, assistant secretary Travelers Fire, will discuss business interruption insurance and J. B. Guinotte, manager Aero Insurance Underwriters, Kansas City, will cover "Aviation Insurance." A. B. Millard, Grand Rapids, Mich., chairman of the accident prevention committee of the National association, will speak at the luncheon. At the afternoon session Payne H. Midyette, Tallahassee, Fla., president National association, will discuss "Our National Association." R. L. Dubois, Indianapolis, state agent North British & Mercantile, and Milton W. Mays, New York, director Business Development Office, will speak. A film will be presented by William J. Davis, assistant manager Automobile Protective & Information Bureau, Chicago.

In the evening George Cockburn will be toastmaster at the banquet and Rev. John Hubbard, Chicago, will speak.

On Sept. 10 there will be a breakfast meeting with the Inter-Ocean Reinsurance as host. At the business session, V. W. Souders, marine manager western department of Fire Association, will speak on "Inland Marine Insurance;" J. H. Egloff, Travelers' supervisor agency field service, will discuss "Comprehensive Liability Policies," and R. C. Larson, field supervisor Aetna Casualty, "Accident and Health Insurance."

The Aetna Casualty's "Say It in English" film will be presented at the luncheon, which will be followed by the reports of the resolutions and nominating committees and election of officers.

### Nebr. Department Makes Survey of Agency Field

LINCOLN, NEB.—Frank E. Landis, special assistant to Insurance Director Fraizer, has finished the survey of the agency field, a task assigned him earlier in the year as a result of complaints orally presented to the department. Mr. Landis says the survey was designed: (1) To inform the department as to the facts; (2) to educate companies, field men and licensees on the law regulating agents; (3) win the cooperation of the companies in cleaning out illegal licensees before any disciplinary action was taken. The results have been generally satisfactory. The reduction in the number of agents licensed can be judged from the fact that revenues for the year from this source dropped from \$54,000 to \$50,250.

One factor was the adoption of a new form of application. The old one did not seek to probe the tieup between an agent and the type of business he wrote. It was possible for a man to get a license to write his own business without that fact being reflected by answers sought. The new form commits him to a definite percentage of his total premium income derived from sale of policies covering his own risks, those of his relative, employer, employees or for a business in which he was financially interested.

Agents' applications were reduced

from 30,000 in 1940 to 6,600 in 1941 by permitting requisition of all company licenses on one from instead of requiring an application for each company represented. For the first time in the history of the department field men and agency departments were forced to examine the qualifications and merits of men for whom licenses were asked, and they cooperated to the fullest extent.

Mr. Landis said the action of the legislature in giving small loan companies permission to write insurance on chattels of borrowers has led to a reversal of the department ruling as to automobile dealers, since there is no valid distinction between the two groups.

### Fred Olmsted New President of Des Moines Agents

DES MOINES—Fred Olmsted was elected president of the Des Moines Association of Insurance Agents at the annual meeting, held following a lawn party at the home of B. C. Hopkins, former president of the state association. He succeeds Pearl Taylor.

Charles Smith is first vice-president; Philip Jester, second vice-president; Jack Ahrold, third vice-president; Ivan Anton reelected secretary-treasurer.

R. W. Forshay, Anita, Ia., vice-president National association was a guest and gave an interesting discussion of the assistance given local agents through the state and National associations.

A half-dozen applications were received from new members. The state association is conducting a "500 for Forshay" drive in honor of Mr. Forshay.

### New Manual to Be Used in Ohio Agents' Examinations

COLUMBUS—The Ohio department has announced that effective Oct. 1, it will use only the new manual of questions and answers prepared by the department and published last May by the Ohio Fire Underwriters Association for the examination and grading of prospective fire insurance agents and solicitors. Superintendent Lloyd has cautioned applicants to prepare thoroughly for examination because the questions contained

### In Charge at Salina for Kansas Agents Rally



John L. Vorse



Dan Bolin

In charge of local arrangements for the annual meeting of the Kansas Association of Insurance Agents at Salina, Sept. 24-26, are John L. Vorse and Dan Bolin.

Mr. Vorse is with the Eberhardt-Fitzpatrick agency. He is president of the Salina Insurance Board and chairman of the program committee for the convention. Mr. Bolin, of the Spradley-Bolin agency, is vice-president of the Salina Board and general chairman of the convention committee.

in the list, while arriving at the facts and answers, are apt to be varied as to language, the purpose being to determine whether or not the applicant really knows his subject or has just learned the specific answers to certain questions in certain form.

The new move has been delayed in order to give opportunity for thorough distribution of the manual to companies, field men and agents. The department, working with a number of company and agents organizations, has under way a revision of life, casualty and surety questions.

### Wichita Association Now Has Full-Time Secretary

WICHITA — On recommendation of the executive committee, a proposal of the nominating committee headed by C. K. Foote to employ a full-time secretary was adopted by the Wichita Association of Insurance Agents.

E. H. Bonous, for some years with the commercial department of North High School, has been named to the position succeeding Henry V. Schott of the Smith-Stone-Snyder agency, who has handled the work part-time for 13 years most efficiently. Mr. Schott had asked to be relieved in order to give full time to his agency. Duties of the secretary, who also acts as treasurer, have increased steadily during the years, the major work being the details in handling the public business of the county, university, schools, library board and Y. W. C. A., which has involved from \$28,000 to \$36,000 annual premiums. With a full-time secretary, added duties will accrue and a public relations campaign will be launched.

The annual election will be held Aug. 30. President Victor G. Henry, who has served two terms, will step out. Mr. Henry is also vice-president of the Kansas Association of Insurance Agents and is in charge of arranging the speaking program for the annual meeting in Salina Sept. 24-26.

### Milwaukee Board Outing Draws Attendance of 175

MILWAUKEE—About 175 members of the Milwaukee Board and guests attended the golf tournament and outing at Ozaukee Country Club. W. B. Calhoun was general chairman.

In addition to solicitors in their offices, the local agents had field men and company executives as guests. The latter included A. A. Krueger, secretary-treasurer, and R. S. Danforth, assistant secretary Millers National, Chicago; B. L. Hewett, Jr., Boston and Old Colony, Lansing, Mich.; J. C. Qualmann, Royal - Liverpool, Buffalo, former Milwaukee agent and Wisconsin field man; M. F. Hegler, Western Factory Association, Chicago; Grover Miller, Racine, president Wisconsin Association of Insurance Agents.

Mr. Calhoun as toastmaster ran true to form in presenting golf and attendance prizes. Edgar Schmidt, president of Julius Bacher Agency, won the Walter Schroeder Trophy, offered for the first time this year for competition among board members. It will become permanent property of the agent winning it three times.

### Additional Speakers for Kansas Agents Program

Additional features have been announced for the annual convention of the Kansas Association of Insurance Agents at Salina, Sept. 24-26.

B. R. Walinder, farm manager for America Fore, Chicago, will discuss "Farm Insurance;" Commissioner Hobbs of Kansas, president of the Na-

### Program Chairman



HARRY LEVANT

Harry Levant, Eveleth, Minn., former president Minnesota Association of Insurance Agents, this year is chairman of the program committee for the annual convention to be held at Rochester, Sept. 11-13.

tional Association of Insurance Commissioners, will speak; Sam C. Carroll, vice-president of Mutual Benefit Health & Accident, Omaha, will talk on "Accident and Health Insurance;" B. L. Ferrell, vice-president Southwest National Bank, Wichita, will discuss "Automobile Finance," and Otto Souders, Wichita attorney, will be the speaker at the annual banquet.

### Wilson Enlarges Offices

The J. M. Wilson Corporation, general agency, and the James M. Wilson Agency have moved into new offices at 350 South Burdick street, Kalamazoo. The general agency will occupy the entire third floor, about 5,000 square feet of floor space. It is one of the largest supervising general agencies in the state with 488 agents reporting business through it. It has shown a remarkable growth since formation in 1932. James M. Wilson, president of the corporation, started in the insurance business shortly after the world war and organized the James M. Wilson Agency. The agency is now under the ownership and management of F. P. Kavanaugh, formerly with the Michigan Audit Bureau. The Richard Early agency and the John L. Graves agency have also moved to the same building.

### Advertising Gets Results

KANSAS CITY, MO.—The local advertising program of the Insurance Agents Association of Kansas City, begun about a month ago, has produced numerous and various results, particularly in the many telephone calls to the association's offices. These calls include inquiries about brokers, agents and companies; questions on type of service rendered, handling of claims; requests for location of branch offices of companies, if in Kansas City, and specific queries as to whether some particular company is a stock company. The stream of telephone calls is taken as indicating considerable interest awakened by the advertising.

### To Open Office in Hamilton, O.

Western Adjustment is opening an office at Hamilton, O., with R. W. Kohankie of the Cincinnati office in charge, assisted by D. W. Grieg. The

office will operate under the supervision of Manager Conway of Cincinnati and will be located in the First National Bank building.

#### Plan Kansas State Fair Exhibit

Plans are under way for a fire prevention exhibit and booth at the Kansas State Fair in Hutchinson Sept. 14-20, sponsored jointly by the Hutchinson Insurance Board and fire department, with the cooperation of the Kansas Fire Prevention Association and the fire marshal's office.

Archie Blickenstaff of the Wade Patton agency has been named chairman of the fire prevention committee of the Hutchinson Insurance Board.

#### Unlicensed Agent Fined

DES MOINES — The Iowa department has stiffened its attitude on non-licensed agents. As a result of charges filed by the department, O. B. Harris of Waterloo pleaded guilty to one of three charges of selling insurance without a license in municipal court there and was fined \$25 and costs. It was the first time since 1938 that such a case had been taken into court.

Another agent was reported as surrendering his license and still another case is pending.

#### Kansas Rule Book Changes

Revised rule book changes effected in Kansas include extension of single states reporting forms A and 1 to stock in manufacturing risks, revision of the fire department service charge to cover properties in 10th class localities only, and a change in term rules extending them to coal and/or wood yards.

#### Publish Ohio Laws, Rulings

The Ohio department will soon publish a volume containing all the state laws relating to insurance, bond investment, hospital care and medical care, together with all rulings in effect as of Aug. 1 of this year. It will contain the new insurance laws enacted by the last legislature. This will be the first time that a complete compilation of rulings has been made.

#### Freeman Elected in Ann Arbor

ANN ARBOR, MICH.—Robert H. Freeman has been elected president of the Ann Arbor Association of Insurance Agents, succeeding Clarence Aprill. Other officers are: Vice-president, Irwin E. Stoll, and secretary-treasurer, Russell Bradley (re-elected).

The Ann Arbor Board held a 16-week educational extension course, during the year at the University of Michigan, attended by 45 agents and employees.

#### Champaign, Ill. Agents' Outing

The Champaign County (Ill.) Local Agents Association will hold its annual

#### Heads Agency Group of Mich. Upper Peninsula

John P. Old, Jr., who was elected president of the Upper Peninsula Association of Insurance Agents, has been in the local agency business at Sault Ste. Marie, Mich., since 1929. He entered that work right from school. In 1934 he was elected secretary - treasurer of the Sault Agency when the business was incorporated. Since 1939 he has been a member of the executive committee of the Michigan Association of Insurance Agents.



John P. Old, Jr.

The agency was formed in 1892 and was purchased in 1902 by Mr. Old's father, who has for many years been one of the leaders in Michigan agency affairs and is a past president of the Michigan Association of Insurance agents.

party Sept. 4 at the Champaign Country Club. This will be an all-day affair with luncheon, golf for those who wish to play, and dinner and entertainment. This is an annual affair which is attended by many field men as well as agents. H. H. Monier of Champaign is chairman of the golf committee.

#### Bennett to Be Indiana Speaker

Walter H. Bennett, secretary and general counsel of the National Association of Insurance Agents, will be one of the headliners at the annual meeting of the Indiana Association of Insurance Agents in Indianapolis, Oct. 28-29. More than 800 registered for this meeting a year ago and an effort will be made to exceed that number this year.

#### Indiana Board's Outings

East Chicago and Hammond, Ind., local agents have their annual joint field day at the Woodmar Country Club, Sept. 11. This event has been sponsored for a number of years by the local boards of these two cities and is well attended by field men as well as local agents.

The Jackson County (Ind.) Association of Insurance Agents will hold its annual field day Sept. 9 at the Seymour Country Club.

#### Ill. Associations Plan Outings

A number of the local associations in Illinois are holding outings in September.

ber. The Joliet Association will hold a field day on Sept. 4 at Big Run Golf Course. The Rock Island group will have an annual picnic on Sept. 11 at the Rock Island Arsenal Golf Club. Field days for the Alton association will be Sept. 11 at the Rock Spring Country Club. The Quincy Board will hold a picnic on Sept. 24.

#### NEWS BRIEFS

The annual outing and dinner of the Cuyahoga County Board of Cleveland was held Thursday at Loser's Dinner House.

General Insurors, Inc. of St. Louis, reports that 82 of its partners, brokers and employees are participating in its payroll deduction plan for the purchase of defense bonds.

General Insurors' annual outing was held at Spring Lake, a short distance

from St. Louis. There was a large attendance.

Frank A. Ross, a former battalion chief of the New York city fire department, has been named fire chief at the Kingsbury, Ind., ordnance plant. Mr. Ross has been in fire fighting service more than 27 years and in addition to regular fire duty served as a building inspector in fire prevention work in New York.

The 1752 Club of Iowa held its annual party at the Springbrook Golf & Country Club, DeWitt, Ia. Glen Bowles of Des Moines won the traveling trophy in golf with John Wenchell low medalist in the medal play.

Max L. Staley of the Brown, Ginzel & Co. agency, Wichita, was elected third vice-president of Phi Delta Kappa, national young men's business fraternity, at their annual conclave in Mobile.

Arthur S. Peck of the McGrew-Peck

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Agency and C. B. Holmes have been named by President Ann Stone of the Manley agency on the committee of the Lawrence (Kan.) Insurance Board in

charge of servicing and rewriting the public business handled by the board. Nicholas Brophy has opened a local agency at 415 Exchange building, La Crosse, Wis.

## PACIFIC COAST AND MOUNTAIN

### Idaho Rating Bureau Makes Many Coverage Changes

The Idaho Surveying & Rating Bureau has announced a number of changes in general rules effective July 15 and retroactive to policies written on or after May 15. Additional living expenses insurance rates are now the full fire rate of building involved, and standard form 13 is now mandatory. The binder rule has been revised requiring binders to be charged at short rates if subsequent policy is not dated concurrently with the binder. Forms are provided and the rate changed for automatic open binders for banks and trust companies on fire coverage. The rules now permit floater coverage to be included in blanket insurance. Common carriers liability insurance is limited to an annual term.

Permission is given for including library furniture and fixtures in coverage on books, and provision is made for insuring dredges and power shovels of drainage and irrigation districts when under floating policies. A new rule provides for extending coverage on contents of dwellings to property for which insured may be liable or may assume liability.

Risks eligible to provisional or monthly average form 1 now include all risks excepting oils, cotton in gins, warehouses, compresses and yards, property in transit or in fairs or expositions. Form 3 formerly was required on seasonal manufacturing risks, tanneries, fruit and vegetable packing plants, grain elevators, grain, seed and hay warehouses; but these risks are now eligible under form 1. Application of form 3 is limited to oil, other than mineral, in tanks and vegetable oil mills, and the other classes listed as exceptions to form 1. The rule for auditing provisional policies by the rating bureau requires now that earned premiums required for seasonal or other periodically increased hazards shall in all cases be included in the deposit premium charge.

The rule permitting insurance on foodstuffs and supplies of restaurants under one item with furniture and fixtures is amended to limit recovery on beers, wines and liquors to not exceeding 25 percent of the insurance.

U. & O. average clause form G, formerly limited to mercantile risks is now available for "non-manufacturing" risks. A change of considerable import to lumber risks having insufficient kiln drying facilities to meet requirements of re-manufacturing units and, therefore, having to rely on lumber dried in yards before being planed, etc., is a new rule permitting a change in the definition of "stock in process" on U. & O. forms "average clause A," or on weekly forms B or C. The amendment permits lumber and timber products for re-manufacturing to be considered as raw stock. This improvement has been sought by lumber interests for some little time and was recently authorized by the Pacific Board.

### Johns & Co. Is Organized: Holt Named Manager

Edward N. Johns for the past 14 years active in the life insurance business is organizing a general insurance office in Los Angeles to be known as Edward N. Johns & Co. For several years he has been a leading producer for the Los Angeles ordinary office of John Hancock Mutual Life. He is secretary-treasurer of the Quarter Million Dollar Producers Club.

Associated with Mr. Johns will be R. C. Holt, Jr., as manager of the fire, casualty and surety department. He formerly

was associated with the Security First National Bank in Los Angeles, is a graduate of University of California, and prior to his association with Mr. Johns devoted two months to a study course on general insurance.

Mr. Johns will continue to specialize on life insurance. He is an exponent of "programming" and has been successful along this line. He has followed many of his own forms and briefs.

### Start Regional Meetings of California Association

SAN FRANCISCO—The fall series of regional meetings of the California Association of Insurance Agents will open Aug. 25 at Bakersfield with President Harry Perk, Jr., of Los Angeles as the principal speaker. President Perk is to appear at all meetings in central California including those at Fresno and Los Banos, Aug. 26; Modesto, Aug. 27, and San Jose and Salinas, Aug. 28.

Vice-president H. H. Hendren of Sacramento is to be principal speaker at the meetings in northern California, which open at Chico and Auburn Sept. 2. Others in this section are: Napa, Sept. 4; Santa Rosa, Sept. 8, and Oakland, Sept. 22.

H. I. Callis, Santa Barbara, national councillor, will conduct the meetings in southern California, opening at Santa Monica, Sept. 15 and including Santa Ana and Redlands, Sept. 16; San Diego, Sept. 17.

In the central and northern sections, S. L. Weinstock, deputy insurance commissioner and legislative assistant, will

speak, while in southern California D. R. Luckham, deputy commissioner, will appear for the insurance department. It is planned to have these officials review the legislation effective in September and which is of interest to local agents. They will also answer questions and take up any personal problems which the agents may have to iron out with the department.

Messrs. Perk, Hendren and Callis will review the major activities of the association and outline plans for the annual meeting in Sacramento Nov. 10-12.

### Mortgage Man a Speaker

Frederick P. Camp, president of the National Mortgage Loan Association, was a speaker at the annual meeting of the Idaho Association of Insurance Agents this week at Idaho Falls. He is president of the Utah Mortgage Loan Corporation, Logan, Utah.

### Give Instruction on Policy Writing

LOS ANGELES—The Insurance Exchange of Los Angeles, in accordance with the notification sent its members that instructors would be employed to assist agent members in complying with the rule that they must write their own policies, has secured the services of Miss Olga Whipple, an expert policy writer, to instruct members and their employees who desire to take advantage of the opportunity to learn how correctly to write policies. She has been making the rounds of the offices of the members and will inaugurate class work Aug. 18.

### Colorado Agents' Meeting

U. S. Manager R. R. Clark of the Caledonian will be one of the chief speakers at the annual meeting of the Colorado Association of Insurance Agents to be held at the Shirley-Savoy Hotel, Denver, Oct. 3-4. Clarke Smith, New York, assistant manager of the brokerage department of the Royal L. & L. & G., will also be a speaker. An-

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other person on the program that will create interest will be Elsie B. Mayer, Denver, who is president of the National Association of Insurance Women.

#### Utah Agents' Meeting

SALT LAKE CITY—The executive committee and officers of the Utah Fire

& Casualty Insurers Association will meet here Friday of this week to make arrangements for holding the annual meeting. The meeting will be held Sept. 30-Oct. 1 but the hotel has not yet been decided and other arrangements will be taken up. J. A. Rogers of Salt Lake City is president and A. E. Burgener of Salt Lake, secretary.

fair taxation of stock companies is when compared with taxes mutuals have to pay.

He cited these figures: 1938 premium income, stock, \$615,000,000; mutual, \$170,000,000; federal income taxes paid on 1938 profits, stock, \$8,000,000; mutual, \$17,000.

#### NEWS BRIEFS

W. S. Morgan, Jr., has been appointed acting manager of the Smith-Reid-East Agency, Little Rock. He formerly was in the insurance department of Rightsell, Collins, Barry, Donham.

John L. Conner, vice-president of the Dargan, Whittington & Conner agency, Atlanta, has been placed on the Georgia defense savings staff committee.

New books for Clinton and Chandler, Okla., will be published early in September by the Oklahoma Inspection Bureau.

## IN THE SOUTHERN STATES

#### Van Fleet Now Consultant; Gammill in Texas Post

George Van Fleet, actuary of the Texas insurance board since 1935, resigned to become consulting actuary and general insurance consultant, with offices in Austin. He will be succeeded by M. B. Gammill, who has been assistant actuary for the last two years.

Mr. Van Fleet received his actuarial training at University of Michigan, then taught mathematics and insurance for six years and was assistant professor of mathematics at Oregon State College for three years. Before going with the board he was for six years assistant actuary of American National.

#### Share Housing Commissions

The San Antonio Insurance Exchange has made its first distribution of so-called board placement commissions on the housing authority projects in San Antonio. There was in the commission pool \$672 and there is being distributed \$500 to 101 agents. The amount each individual will receive is 10 percent of his annual dues to the board.

The San Antonio Housing Authority places the business with a committee of the Insurance Exchange as each project is completed. There will be five or six projects in all. Only one so far has been accepted and insurance written up to this time. The names of 15 agents are picked from a hat and they write the fire and extended coverage. Other agents write O. L. & T. and other casualty business. The agent writing the policy retains 5 percent and turns the balance into the pool to be distributed among all members. The housing authority has been ordering one year policies only.

#### South Carolina Figures

The fire premiums for all lines in South Carolina last year were \$9,548,594, an increase of \$1,052,126. The stock companies had \$7,586,008, an increase of \$961,870. The mutuals reported \$1,962,586, up \$90,256. Total losses last year were \$5,388,934, an increase of \$2,134,224. Stock companies had \$4,430,846, increase \$1,632,311 and mutuals \$958,088, increase \$502,013.

#### Library Association Outing

ATLANTA—The annual outing of the Insurance Library Association of Atlanta, always one of the most interesting insurance events in the south, was even more brilliant and enjoyable this year. It was staged at the Brookhaven Country Club, with 300 in attendance.

The participants engaged in contests in various outdoor sports. In the evening, dinner was served. As the fes-

tive spirit waxed, George McNulty of Crum & Forster, led the renditions of many favorites of barber shop harmonizers. The company offices and the Southeastern Underwriters Association let all their people off about noon for the outing.

#### Additional Florida Lecturers

TAMPA, FLA.—Lecturers for the insurance school of the Florida Association of Insurance Agents at Daytona Beach, Sept. 8-11, in addition to those listed last week, will include W. J. Matherly, dean of the college of business, Florida University; Charles B. Shelton, Jr., special agent for Hurt & Quin, Atlanta; T. P. Lippett, general agent, Jacksonville; H. W. Melville, manager inland marine department American of Newark; Ben S. McKeel, manager General Cover Underwriters Association, New York; W. A. Walter, southwest manager Associated Aviation Underwriters, Dallas; H. T. Gray, attorney, Jacksonville; D. C. Gibson, vice-president Maryland Casualty; R. G. Danner, F. B. I., Miami; B. D. Cole, Sr., president B. D. Cole, Inc., West Palm Beach.

#### Merged with Southern Lloyds

The Southern Mutual Fire of San Antonio has been merged with Southern Lloyds. The Texas department has approved the action following the favorable vote of the policyholders of mutual. The Southern Lloyds increased its guarantee fund from \$100,000 to \$200,000. Of this amount \$60,000 was distributed to Southern Lloyds' stockholders and the remaining \$40,000 to policyholders of the Southern Mutual. Southern Lloyds now shows assets of about \$1,000,000, premium reserve \$350,000, guarantee fund \$250,000, surplus \$300,000, contingent reserve \$100,000.

#### Phillips Issues Special Message

OKLAHOMA CITY—In a special message to members, T. Ray Phillips, America Fore, president Oklahoma Capital Stock Insurance Council, points out the organization's functions in attaining its objective in showing why capital stock insurance is superior. Although such information is available, it is necessary for some organization to dig it out and present it in an educational course. That is why the first insurance institute conducted by the Oklahoma council was successful and as a result Mr. Phillips predicted that the fall school will attract an even larger attendance.

#### Bigelow Cites Tax Inequality

Samuel Bigelow, manager of the Virginia Association of Insurance Agents, contributed an article to the forum column of the Richmond "Times-Dispatch," pointing out how grossly un-

## EAST

#### Massachusetts Agents Meet in Springfield, Oct. 28-29

BOSTON—The Massachusetts Association of Insurance Agents will hold its annual meeting at the Hotel Sheraton, Springfield, Oct. 28-29. The committee in charge is composed of C. K. Steele, Gloucester, chairman; H. R. Barnes, Pittsfield; S. H. Cushing, Framingham; H. R. Preston, Springfield, and M. E. Stimson, Greenfield.

The association has named a committee consisting of E. J. Cole, Fall River; R. A. Sullivan, Boston, and R. T. Sisson, Lynn, through which the agents will cooperate in gasoline conservation with the Massachusetts committee on public safety.

It was voted to extend the program of education through the fall and winter, with sessions to be held in various key cities for a course of eight weeks.

#### Crafts Library Vice-president

BOSTON—At a meeting of trustees of the Insurance Library Association of Boston, James F. Crafts, manager eastern department Fireman's Fund, was elected vice-president, under a new provision of the by-laws. W. B. Medlicott is president of the association.

Evening courses will be continued the coming fall and winter, starting about the middle of October.

#### Vermont Meeting Sept. 16

The annual meeting of the Vermont Association of Insurance Agents will be held in Woodstock, Sept. 16. Due to the resignation of A. C. Mason of Rutland as secretary-treasurer recently, Harold F. Shea of Montpelier has been designated to fill that position until the annual meeting. Mr. Shea is also national councillor and chairman of the executive committee.

#### Set New England '42 Meeting

Decision has been made to hold the 1942 annual convention of the New England Associations of Insurance Agents at Poland Spring, Me., June 24-26.

## CANADIAN

#### Ontario License Fees Go Up as Population Increases

TORONTO—With increases in population in a number of Ontario cities, agents' license fees, which are based on city population, will show an increase for the year starting Oct. 1, A. W. Rogers, agency officer Ontario insurance department, reports.

Applications are being revised. A question has been added to the application form which definitely asks the agent whether he has had any unlicensed solicitor on his payroll within the past year. From now on, if an agent or agency utilizes the services of an unlicensed solicitor, he must notify the insurance department to that effect within 48 hours.

The revised schedule of license fees is: Cities of 50,000 or over, \$25; 25,000 to \$50,000, \$15; 10,000 to 25,000, \$10; elsewhere, \$5.

There is a substantial decline in the number of licensed fire and casualty agents in Ontario, Mr. Rogers reports. The total number of agents licensed this year is 5,209, compared with 5,444 in 1940, and 5,665 in 1939. Many of those whose licenses have not been renewed have either enlisted or have gone into war work.

#### Uniformity in Writing of Collision Is Recommended

TORONTO—A recommendation has been made by a sub-committee of the committee on automobile standard insurance forms that all insurers in Canada should follow one method of writing collision insurance either as full coverage or a specified deductible, as provided in the standard policy.

In connection with garage and automobile dealers' fire and theft proposed standard forms, it is also reported that the committee has recommended to Superintendent McNairn of Ontario the inclusion of a war clause in this policy. Mr. McNairn is being asked to suggest a suitable wording.

It is expected that these two standard forms will form the basis of some discussions at the coming annual meeting here of the Association of Superintendents of Insurance of Canada.

#### Sell Unearned Premium Cover

WINNIPEG—It is reported that quite a demand has arisen of late for unearned premium insurance. Since the adoption of the new term rules making it possible for mercantile lines to be written for three years, agents are finding it necessary to protect their clients against the loss of large unearned premiums by selling the unearned premium endorsement.

#### Greater Uniformity Urged

TORONTO—In a report of the committee on annual statement blanks which will be presented at the annual conference of the Association of Superintendents of Insurance of Canada here Sept. 15-18, G. N. Shephard, secretary, urges greater uniformity in annual statements.

Only minor changes are needed in fire and casualty reports in order to obtain complete uniformity, Mr. Shephard said.

#### British Columbia Rule Changes

VANCOUVER, B. C.—The British Columbia Underwriters Association has adopted the builders risk completed value form and has revised rules to permit attachment of the supplemental

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contract to policies not subject to the coinsurance clause at rates to be named by the examining department. The list of eligible classes for the supplemental

contract has also been broadened. Two new dwelling, building and contents forms now are available for protected risks.

## MARINE INSURANCE NEWS

### James Mather Now U. S. Marine Head

NEW YORK — W. C. Spelman, United States marine manager, also manager in Canada and Cuba for the Union Marine & General, Phoenix Assurance, Norwich Union Fire and Columbia of N. Y. for over 16 years, is retiring, having reached the age limit, and will be succeeded by Assistant Manager James Mather. Mr. Mather is an experienced marine insurance man, having been in that line during his business life. He was connected in 1905 with F. Herrmann & Co., who were at that time U. S. managers of the Union Marine. Since then he has been connected with the Phoenix Assurance and Norwich Union Fire since they established marine departments in this country.

Mr. Spelman has been engaged in marine business for 42 years. He is a graduate of Yale, class of '99, and immediately after leaving college went with Johnson & Higgins. Later he was employed by the Liverpool & London & Globe, Phoenix of London, and Norwich Union Fire. He has been a director of the Columbia for more than 16 years and he served several terms as director

of the New York Board of Underwriters, director of the American Institute of Marine Underwriters.

### Wallace Marine Manager of Security in South

The Security of New Haven group has appointed James J. Wallace southern marine manager with headquarters in the First National Bank of Atlanta building, Atlanta. He will supervise inland marine in Alabama, Florida, Georgia, Louisiana, North and South Carolina, Texas and Virginia.

Mr. Wallace has spent his entire business career in the marine business in the south. He is a graduate of the "Citadel," Charleston, and joined the southern marine department of North America in 1928. Later he was associated with the marine department of Fireman's Fund and also traveled the southern field for five years as marine special agent for Home. For the last two years he has been inland marine supervisor in charge of the southeastern territory for the Pearl-American fleet.

The opening of the new marine office in the South, supplementing similar offices in New Haven, Toronto, Chicago and San Francisco, rounds out a program of providing country-wide marine service facilities at strategically convenient points.

### Ohio River Marine Business Is Flourishing

CINCINNATI—River marine underwriters are optimistic about business on the Ohio river and its tributaries. Last year was a record year for freight carried with an all-time high of 63 million tons. Indications are that this record will be surpassed in the present year. Loss ratios have continued to be about average with the steadily increasing volume of premiums. Defense work has stimulated traffic to a considerable extent because defense materials and products can be handled cheaply and efficiently by water.

The Wheeler-Lea bill which passed earlier in the year placing river transportation under the jurisdiction of the Interstate Commerce Commission with the power to regulate rates has not yet produced the adverse effects which many feared. On the contrary, it has tended to reduce the operations of fly-by-night carriers and to stabilize the operations of the legitimate carriers.

### Increased Loadings Permitted

BUFFALO—New cargo limit provisions announced by President Roosevelt will permit the Great Lakes ore fleet to carry approximately 700,000 tons more of ore this season than had been possible previously, according to Buffalo marine authorities.

The new limitations, which are expected to permit the average boat to deepen its loadline about six inches, have the effect of adding six boats to the lake fleet, it was said. Increased loadings will not affect the safety of the vessels, it was said. Before present limits went into effect several years ago, loadings were much heavier than they are now.

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## MOTOR

### Former Congressman Long Is Motor Carrier Counsel

Lewis M. Long, former congressman-at-large from Illinois, has opened an office in 855 Insurance Exchange building, Chicago, as a motor carrier practitioner and a specialist in wages and hours matters. Mr. Long is an attorney who formerly was chief examiner of the Illinois state division of motor carriers. He helped to prepare all the forms used and participated in discussions on interpretation of the Illinois truck act, making rulings, and presided at more than 200 hearings. He also was advisor to the superintendent of the division.

Mr. Long now represents truck operators in negotiations with and hearings before the state officials and courts.

### Automobile Bodies Moving

NEW YORK—Forced to secure larger office accommodations to take care of its constantly accumulating records, the National Automobile Underwriters Association will on Sept. 1 move from the Great American building, 1 Liberty street, where it has been a tenant for the past 20 years, to the North America building, 99 John street. At the latter address it will occupy a considerable part of the 23rd floor, assured of abundant light and ventilation, with added facilities for the expeditious handling of an ever growing business. The National Automobile Theft Bureau, also now at 1 Liberty street, will share part of the floor space at 99 John street with the Automobile Association.

### May Liberalize Collision Cover

Although it seems likely that the National Automobile Underwriters Association will in due time remove from the collision contract the exclusion of "carrying persons for a charge" no such action has yet been taken. The organized stock and mutual companies in the casualty field the other day announced that this exclusion had been removed in the auto P. L. and P. D. contracts as a means of cooperating with the gasoline conservation program particularly on the east coast. With the exclusion removed, workers can double up in motorizing to and from work and share the expense without any fear that their insurance might be voided in event of an accident.

### New Kansas Auto Manual

A new automobile manual for Kansas has been filed by the Kansas Inspection

Bureau. Simplification of the rating of private passenger automobiles by dropping the former grouping is one of the important changes. Fire rates on dealers' automobiles have been reduced and comprehensive coverage has been extended to on a stated amount basis to "defined buses" and many other minor changes adopted.

### Hollister Takes Helm at Oregon

(CONTINUED FROM PAGE 1)

In explaining the defeat of the automobile financial responsibility bill in the Oregon senate Leslie Wadsworth, Salem, chairman legislative committee, said that it was principally due to the opposition of automobile dealers who feared that the law might have some effect on their business. He stressed the importance of more effective legislative committee work and suggested that an interim committee be appointed to draw up an agents' qualification law which would be satisfactory to both agents and companies.

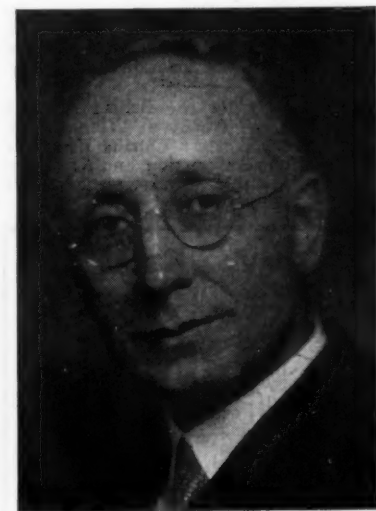
The principal discussion at the closed meeting centered around the question of automobile dealer-finance company activities in diverting insurance premiums. Instances were cited where dealers are reducing trade-in allowances unless they get the financing and insurance on the new car.

Greetings from the Special Agents Association of the Northwest, Oregon division, were extended by President John E. Meeke, Fireman's Fund. He stressed close cooperation with agents and said that no recommendation is made to the companies by special agents without careful consideration of the agent's wishes and in most cases only after collaboration with agents. The American agency system can be maintained only by united front in enlightening and educating the public. The understanding and respect by both companies and agents of mutual problems is the foundation upon which all action must be predicated, he declared.

E. C. Stone, United States manager Employers Liability, discussed compulsory automobile liability insurance and financial responsibility laws; Herbert Semmelmeier, director of public relations Pacific Board, "Producers' Problems," H. H. Kirschner, San Francisco advertising man, "Case Histories in Agency Advertising," and Fred A. Moreton, Salt Lake City, National association executive committeeman, spoke, all giving the same talks which they gave at the Washington meeting. Jay

### Senior Partner of Neare, Gibbs Retires

CINCINNATI—Capt. Boyd C. Taylor, senior partner of Neare, Gibbs & Co., marine general agents, is retiring from the agency as an active partner after 37 years service Sept. 1. George J. Shaw will become a partner in the firm



BOYD C. TAYLOR

with G. W. Neare, III, and B. A. Thompson.

Captain Taylor joined the inspection and adjusting staff of George W. Neare, Gibbs & Co. in 1904 after an association with the Pittsburgh & Cincinnati Packet Co. He was born and educated in Belfast, Ireland, coming to Cincinnati in 1897. In 1906, he took over the marine desk of the agency and in 1917 was admitted to partnership. Captain Taylor is well known in river shipping circles. He is a past vice-president of the Ohio Valley Improvement Association and a member of the Propeller Club.

Mr. Shaw has been doing engineering work for Neare, Gibbs & Co. since 1938. Prior to that, he was in the marine department of Hartford Fire at St. Louis. He is a graduate of the U. S. Naval Academy at Annapolis.



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ONE OF THE TRAVELERS COMPANIES

W. Stevens, chief National Board's fire prevention bureau, San Francisco, was called from the city the day before the convention and his talk was read by G. W. Haerle, national association executive committeeman.

#### Commissioner Thompson's Talk

Describing the part insurance agents can play in the defense efforts, Commissioner Thompson declared that circumstances provide the insurance man with a unique opportunity and grave responsibility in every emergency period in his community. He personally meets each week more active people in all stations of the national life than does any other occupational group in America. He knows and enjoys the confidence of the people he meets. He has a considerable power to influence individual and community action.

Mr. Thompson wondered why the agents' association did not have 100 percent membership, and recommended such a goal for agents.

Perhaps the greatest contribution any agent can make to national defense is to address himself more assiduously than ever to the needs of his community for protection. Commissioner Thompson suggested that agents in seeking business should let prospects know the interesting story of what companies and agents stand for and what they are trying to do. One contribution to defense is to do a good job in fitting the insurance business to continue after the defense program is over.

A. V. Holman, San Francisco, assistant secretary America Fore and vice-chairman of the Oregon Conference Committee, discussed the relationship between agency and company groups.

#### Caseneve Stresses Accident

Importance of accident insurance was pointed out by J. H. Caseneve, superintendent personal accident department Hartford Accident, San Francisco.

Claude Nasburg, Marshfield, past president of the Oregon association, won the golf trophy which was donated by the Insurance Women's Association of Portland. The past presidents' dinner again proved to be a popular convention feature. A sound film, "Say It in English," presented by the Aetna Casualty, was well received. Great interest was attracted by the Underwriters Laboratories' field laboratory which was on display.

Attendance prizes were complimentary tickets for a 45 minute airliner trip around Mt. Hood and down the Columbia River Gorge, by Northwest Airlines.

President-elect Hollister is a native of Portland and served overseas in the World War. He attended the University of Utah and the University of Oregon. In 1924 he began his insurance career as an examiner for the Oregon rating bureau. Later he was transferred to the surveying department where he remained until 1928 when he joined the Hall Insurance Agency. In 1930 when the Hall Agency merged with Rule & Sons, Mr. Hollister became manager of the fire insurance department for the Rule office. In 1931 when Rule & Sons dissolved and became Campbell & Hall, Mr. Hollister continued as fire insurance manager.

In 1932 he resigned to become special agent for the Fidelity & Guaranty Fire, traveling Oregon. In 1936 he joined Jewett, Barton, Leavy & Kern as manager of the fire department. In 1938 he became a junior partner. Since 1937 he has been a member of the executive committee of the Oregon association.

## Civilian Defense Fire Fighting Probe

(CONTINUED FROM PAGE 1)

of a civic committee for fire prevention on which 19 local service clubs are represented.

The National Fire Protection Association engineers met with the officers of the Houston chamber of commerce

fire prevention committee to assist in the formulation of plans for a fire prevention school. The fire hazard piers and wharves will be studied.

In all sections of the country much interest is being taken in strengthening fire protection and civilian defense coordinating the work with regular strengthening of fire defense.

#### ORDINANCE DRIVE WELCOMED

Widespread support has been accorded the efforts of the National Board and the National Association of Insurance Agents to awaken cities to the realization that one of the most effective defenses against fire is enactment and enforcement of a modern fire prevention ordinance.

This was shown by a report issued jointly at the end of the first month of the effort by W. E. Mallalieu, general manager of the National Board, and by C. W. Schoelzel, chairman of the fire prevention committee of the N. A. I. A.

Groups and individuals in 42 states and the District of Columbia have responded. Among them are officials of 17 state associations of agents. Requests for material and additional information, accompanied by assurances of support, have been received from officers of 62 local associations of insurance agents.

More than 100 individual local agents have indicated their desire to support this effort.

State fire marshals, officers and members of local fire departments and of firemen's associations have expressed their willingness to cooperate in seeking adoption of the modern suggested fire prevention ordinance.

The fire marshal of Indiana requested sufficient copies of the ordinance to enable him to distribute one to each fire department chief in the state.

## Settle Tacoma Bridge Loss

(CONTINUED FROM PAGE 1)

collapsed. The F. & G. contends its binder was not effective until the Millers National policy had been cancelled in accordance with terms of the contract. The dispute has not yet been settled, but for the purpose of settling the state's claim, the two companies have agreed to determine their respective liability in the matter between themselves. Accordingly, the cash settlement of \$4,000,000 is being expedited and the full amount will be paid over to the state before the end of August.

The following is a schedule of the companies on the line with the amount of cover each carried on the bridge at the time it collapsed. Each will pay on the \$4,000,000 settlement the proportion these figures bear to the original \$5,200,000 insurance total:

General Seattle, \$1,000,000; Merchants New York, \$800,000; Fidelity-Phenix, \$450,000; State of Penn., \$400,000; Fireman's Fund, \$350,000; Northwestern Mutual Fire, \$350,000; American Central, \$200,000; Houston Fire & Casualty, \$200,000; Minneapolis Fire & Marine, \$200,000; National Surety Marine, \$200,000; Merchants of Denver, \$125,000; Fire Association, \$100,000; Hartford Fire, \$100,000; Home of N. Y., \$100,000; North America, \$100,000; L. & L. & G., \$100,000; Travelers Fire, \$100,000; United Firemen's, \$100,000; Dubuque F. & M., \$75,000; Pacific National, \$50,000; Millers National, \$50,000, and Fidelity & Guaranty Fire, \$50,000.

#### Will Rebuild Span

The state is already rushing plans to build a new span of a different design, probably at twice the cost of the old one. It will be wider and probably will have two decks, or will have a railroad track running down the center of a broad single deck. Governor Langlie had already appointed a commission to begin planning the new bridge. The

state announced that the federal government had been contacted regarding steel priorities for the new structure. It was indicated that a favorable rating would be granted the project in view of the bridge's importance in the pattern of the Puget Sound area's defense, linking the Bremerton navy yard, Fort Lewis and McChord Field.

The companies' loss committee was headed by Paul A. Carew, Marine Office of America; and included: C. C. Hannah, Fireman's Fund; Ray Decker, Royal-Liverpool groups; A. J. Rode, Northwestern Mutual Fire; Guy N. Hedreen, Fire Association; F. F. Kurz, General of Seattle; and George F. Warch, Merchants of New York.

Settlement of the state's claim writes the final chapter in the most costly bridge insurance loss in history. The span's collapse also had its sensational angle in the now famous "French case." It was disclosed after the loss that the Merchants of New York had an unreported \$800,000 line on the span. This disclosure brought to light a series of similar manipulations by H. R. French, general agent at Seattle for the company. French pleaded guilty and is now serving a three-year sentence in the Walla Walla state penitentiary.

## Idaho Agents Association Holds Its Annual Rally

(CONTINUED FROM PAGE 2)

seek increased compensation while doing less for their companies.

Witness the increasing requests to special agents for help whenever an important line is in competition, which normally results in the agent making only the contact and the special agent doing all the work. This has a tendency to increase the cost of supervision to the companies, and both of these tendencies can be recognized only by an increase in rates if the loss cost is properly adjusted. There may be in the offing, then, a possible slight increase in rates.

Mr. Stevenson urged agents to remember that they are representing the point of view of the company as well as the interests of assured.

The association's plan of holding regional meetings with a vice-president for each of three sections of the state has increased substantially attendance and interest at the meetings, Oscar W. Nelson, secretary, said. The association has added 19 to its membership during the year, he reported.

## National Income Soars; Insurance Totals Up

National income which exceeded \$76,000,000,000 last year is now at an annual rate of \$85,000,000,000, according to the "Survey of Current Business." With the huge expansion in the output of defense equipment projected for the year ahead, recent trends may be expected to continue.

#### Near 1929 Mark

Income from the insurance business totaled \$1,242,000,000 in 1940 as compared to \$1,219,000,000 in 1939. Last year's insurance income was the highest since 1930 and is not far from the \$1,254,000,000 total in 1929. The low mark in insurance income was \$906,000,000 in 1933.

Total salaries and wages of insurance employees is estimated at \$951,000,000 in 1940, an increase of \$21,000,000 over 1939. The insurance salary total is \$33,000,000 below the 1929 high mark and \$188,000,000 above the 1933 low mark.

The average salary-wage of insurance employees was \$1,726 in 1940, an increase of \$20 over 1939, a decline of \$138 from 1929 and an increase of \$224 over 1933. Of the 50 average wage classifications given, insurance ranked 12th.

#### "Insurance Educator" Out

The "Weekly Underwriter" has put out a new book called the "Fire Insurance Educator," costing \$2. It contains a series of chapters on fire insurance and marine insurance, both inland and ocean, followed by a chapter explaining certain legal principles useful for insurance men to be familiar with, and by one drawing attention to the duties and obligations of agents and brokers. Each chapter is contributed by a man experienced in his field and selected for his fitness to cover his particular assignment. The series constitutes an authentic, integrated manual on the basic principles and their practical application. Its purpose is not only to aid the producer and the underwriter in their immediate problems, but to meet the demand of all those who desire to broaden their insurance knowledge with a view to improving the standards of service within the insurance fraternity.

In the play for the British America Assurance golf trophy at Winnipeg, O. E. McKush, Western Canada Insurance Underwriters Association, and K. G. Slocomb of Black & Armstrong have reached the finals.



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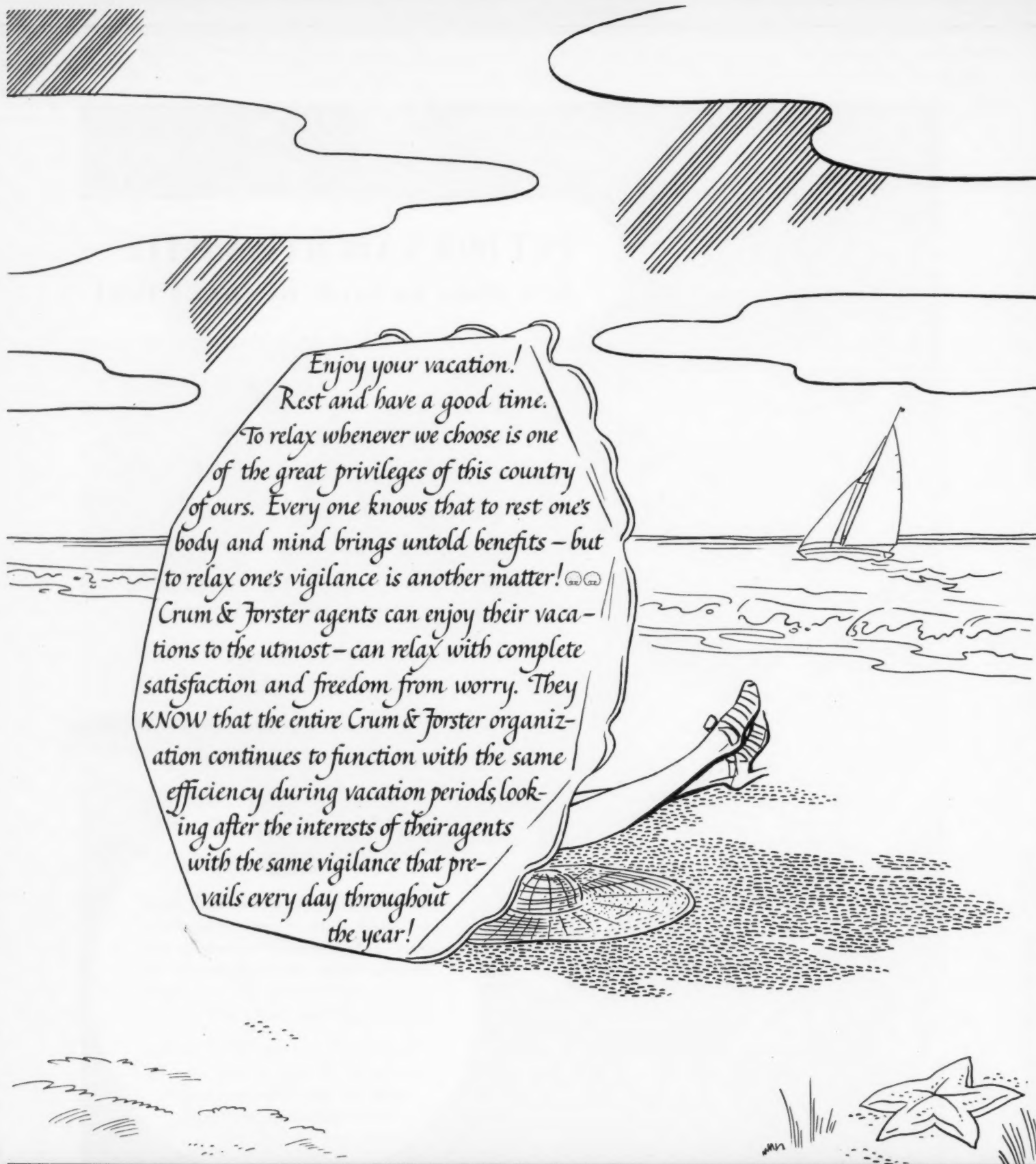
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